CIRCULAR DATED 15 MAY 2013

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. **If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the new stapled securities in Far East Hospitality Trust ("**Far East H-Trust**" and the stapled securities in Far East H-Trust, the "**Stapled Securities**") to be issued for the purpose of the issue and placement of the Consideration Stapled Securities (as defined herein) and the Placement Stapled Securities (as defined herein) on the Main Board of the SGX-ST. The SGX-ST's approval in-principle is not an indication of the merits of the placement of the Placement Stapled Securities, the proposed Acquisition (as defined herein), the Consideration Stapled Securities and the Placement Stapled Securities (collectively, the "**New Stapled Securities**"), Far East H-Trust and/or its subsidiaries.

If you have sold or transferred all your Stapled Securities, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The issue managers for the initial public offering and listing of Far East H-Trust were DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.

FAR EAST HOSPITALITY TRUST

FAR EAST HOSPITALITY REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 1 August 2012 under the laws of the Republic of Singapore)
managed by
FEO Hospitality Asset Management Pte. Ltd.

FAR EAST HOSPITALITY BUSINESS TRUST
(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)
managed by
FEO Hospitality Trust Management Pte. Ltd.

CIRCULAR TO STAPLED SECURITYHOLDERS IN RELATION TO:

(1) THE PROPOSED MASTER LEASE OF RENDEZVOUS GRAND HOTEL SINGAPORE AS AN INTERESTED PERSON TRANSACTION;

(2) THE PROPOSED ISSUE OF NEW STAPLED SECURITIES TO THE STRAITS TRADING COMPANY LIMITED AS PARTIAL CONSIDERATION FOR THE PROPOSED ACQUISITION; AND

(3) THE PROPOSED ISSUE AND PLACEMENT OF NEW STAPLED SECURITIES TO THE FAR EAST ORGANIZATION GROUP OF COMPANIES AS AN INTERESTED PERSON TRANSACTION.

Financial Adviser

DBS

Independent Financial Adviser to the Independent Directors and Audit Committee

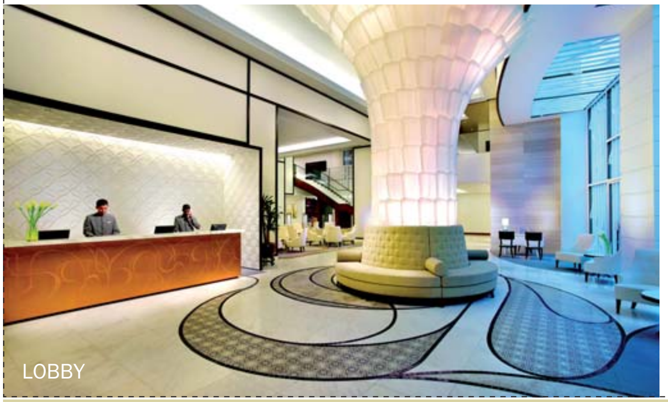
PRIME Partners

IMPORTANT DATES AND TIMES FOR STAPLED SECURITYHOLDERS

Last date and time for lodgement of Proxy Forms	:	Wednesday, 29 May 2013 at 2:30 p.m.
Date and time of Extraordinary General Meeting	:	Friday, 31 May 2013 at 2:30 p.m.
Place of Extraordinary General Meeting	:	Antica 1, Level 2, 1 Tanglin Road, Orchard Parade Hotel, Singapore 247905

FAR EAST H-TRUST'S FIRST ACQUISITION SINCE IPO


BALINESE POOL


LOBBY

The Property comprises a hotel known as Rendezvous Grand Hotel Singapore (the "Hotel") and a retail component known as Rendezvous Gallery (the "Retail Component"). Rendezvous Grand Hotel Singapore is an upscale business and leisure hotel located in the heart of Bras Basah Road with easy access to the business, shopping and cultural districts and major tourist attractions. The Dhoby Ghaut and Bras Basah MRT stations are a five minutes' walk away. In addition, the proposed Bencoolen MRT station located towards the south-eastern corner of the Property is expected to be completed by 2017.

The Hotel

The Hotel comprises 298 rooms with occupancy rate and average daily rate ("ADR") expected to be 83.0% and S$200 respectively for the Forecast Period*.

* "Forecast Period" is defined as the period from the date of completion of the Acquisition ("Completion Date") to 31 December 2013.

The Retail Component

The Retail Component, which was created during the refurbishment programme for the period from 2011 to 2012, comprises three levels of retail space with a net floor area of 2,295 sq m, dedicated to food and beverage ("F&B") outlets.

Selected Information on the Property

	The Property
Location	9 Bras Basah Road, Singapore 189559
Market Segment	Upscale
Leasehold Tenure[1]	70 years commencing from the Completion Date
Retail Net Floor Area (sq m)	2,295
Number of Available Rooms	298
Carpark Lots	81
Occupancy Rate for the Forecast Period (%)	83.0
ADR for the Forecast Period (S$)	200
Revenue per Available Room ("RevPAR") for the Forecast Period (S$)	166
Independent Valuation by Colliers (as at 31 December 2012) (S$'m)	277.0
Independent Valuation by JLL (as at 31 December 2012) (S$'m)	268.5
Purchase Consideration (S$'m)	264.3

1 This refers to the length of the leasehold title acquired by Far East H-REIT under the Leasehold Interest SPA.

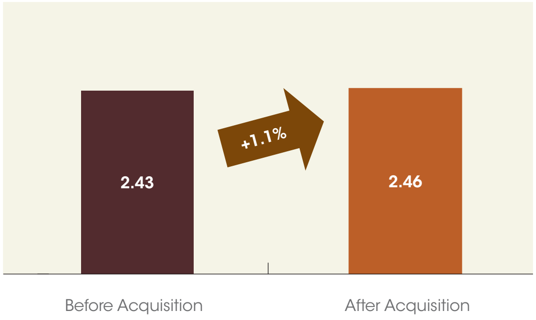
RATIONALE AND BENEFITS OF THE ACQUISITION

1 Yield Accretion

- Stapled Securityholders are expected to enjoy a higher distribution per Stapled Security ("DPS") from the Acquisition being made with a purchase consideration which is reflective of the Property's cash flow levels, together with an optimal debt and equity financing structure.

Expected DPS Accretion for Stapled Securityholders

DPS for the Forecast Period (S$ cents)[1]



2 High Quality Property with Strategic Location

- Expected improvements in the Civic District, the revamp of which is expected to be completed in 2015, in tandem with the refurbishment of various landmarks located in the vicinity.
- Major refurbishment programme for the period from 2011 to 2012 which involved the refurbishment of majority of the hotel rooms, the hotel lobby, and the Straits Ballroom, and the creation of the new retail wing which is dedicated to F&B.

Before Refurbishment

After Refurbishment

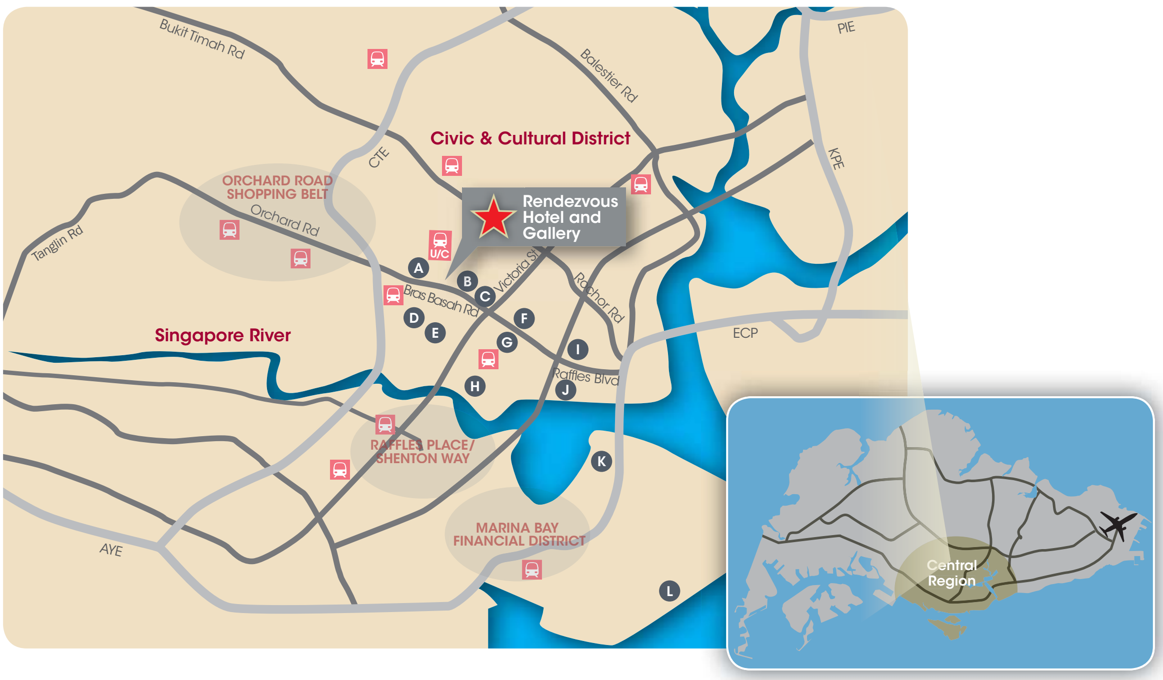
[1] Based on an illustrative issue price of $1.10.

3 Attractive Growth Potential in RevPAR

- The RevPAR for the Hotel in the Forecast Period is expected to be S$166, compared to the RevPAR for the upscale hotel market segment of S$227.50[1] for the period from January 2013 to March 2013, presenting Far East H-Trust with an attractive opportunity to leverage on the expertise of the REIT Manager and the hotel operator to grow the Hotel's business.

DELUXE ROOM

Location of the Property



★ **Rendezvous Grand Hotel Singapore and Rendezvous Gallery**

● **KEY LANDMARKS**

A School of the Arts
B Singapore Art Museum
C Singapore Management University
D National Museum of Singapore
E Fort Canning Park
F Raffles Hotel Singapore
G Raffles City Convention Centre
H The National Art Gallery, Singapore (U/C)
I Suntec Singapore International Convention & Exhibition Centre
J Esplanade
K Marina Bay Sands Integrated Resort, Singapore
L Marina Bay Cruise Centre

MRT STATION

U/C Under Construction

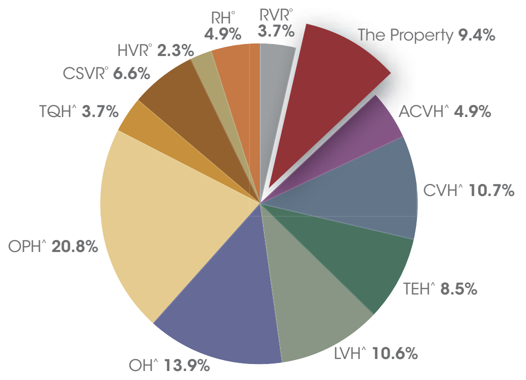
[1] Source: Preliminary hotel industry estimates as at 3 May 2013 obtained from https://app.stb.gov.sg/asp/tou/tou0201.asp.

RATIONALE AND BENEFITS OF THE ACQUISITION

4 Greater Income Diversification

- Concentration risk of Far East H-Trust's income stream on any single property would be reduced and the maximum Net Property Income contribution for any single property would be lower, from approximately 23.0% to 20.8% for the Forecast Period.

Post-Acquisition Breakdown of Net Property Income by Asset for the Forecast Period



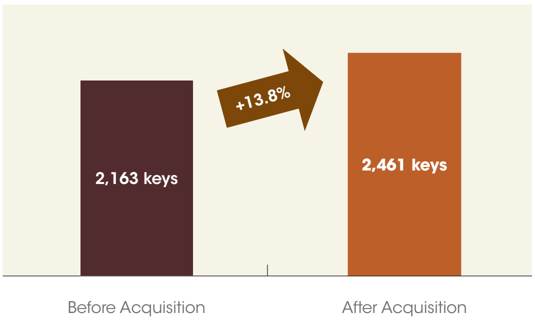
^ **ACVH** : Albert Court Village Hotel
CVH : Changi Village Hotel
TEH : The Elizabeth Hotel
LVH : Landmark Village Hotel
OH : Oasia Hotel
OPH : Orchard Parade Hotel
TQH : The Quincy Hotel

* **CSVR** : Central Square Village Residences
HVR : Hougang Village Residences
RH : Regency House
RVR : Riverside Village Residences

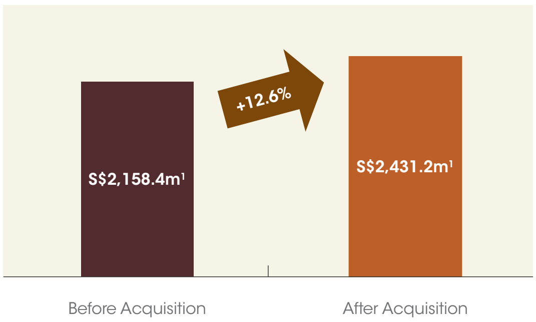
5 Alignment with the REIT Manager's Strategy

- In line with the REIT Manager's strategy to increase exposure to the mid-tier and upscale market segments, which the REIT Manager believes to be the fastest-growing, most profitable and scalable hospitality market segments.
- In line with the REIT Manager's strategy to increase corporate contribution to the hotel portfolio's revenue, given Singapore's positioning as a key financial centre and business hub in the region.

Number of Hotel Rooms before and after the Acquisition



Portfolio Value before and after the Acquisition



6 Greater Economies of Scale

- The hotel operator for the Enlarged Portfolio can derive greater economies of scale in managing the properties through operational and cost synergies.
- Potential improvement in operating margins through outsourcing the F&B businesses which are currently internally operated.

[1] Based on the portfolio valuation as of 31 December 2012.

RATIONALE AND BENEFITS OF THE ACQUISITION

Proposed Funding Method

The REIT Manager intends to finance the Acquisition[2] from a combination of:

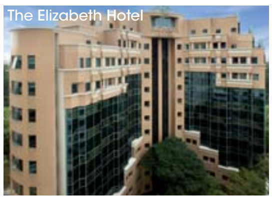
(i) the issue of new Stapled Securities amounting to approximately S$135.8 million to the Vendors and the FEO Group at the prevailing 10-day VWAP; and

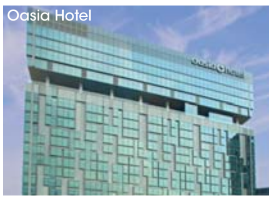
(ii) debt facilities of approximately S$132.2 million.

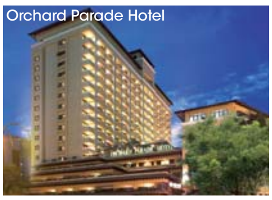
Portfolio Overview

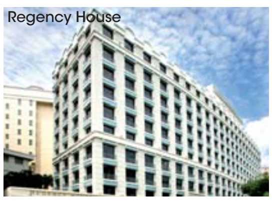
The table below sets out selected information on the Existing Portfolio and the Enlarged Portfolio as at 31 December 2012.

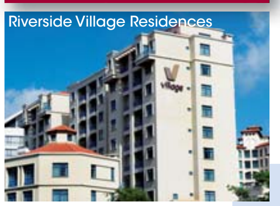
	Existing Portfolio	The Property	Enlarged Portfolio
Keys	Hotel: 2,163 Serviced Residences: 368	Hotel: 298	Hotel: 2,461 Serviced Residences: 368
Retail and Office NLA (sqm)	Retail: 11,164 Office: 6,305 Serviced Office: 696	Retail: 2,295[3]	Retail: 13,459 Office: 6,305 Serviced Office: 696
Number of Carpark Lots	1,568	81	1,649
Valuation (S$m)	2,158.4	272.8[4]	2,431.2











[2] Total Acquisition Cost (excluding the Acquisition Fee to be paid in the form of Stapled Securities).
[3] This refers to the net floor area of the Retail Component.
[4] Based on the average of two independent valuations conducted by Colliers and JLL.

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CORPORATE INFORMATION

Directors of FEO Hospitality Asset Management Pte. Ltd. (the "REIT Manager")	Mr Koh Boon Hwee (Chairman and Non-executive Director) Mr Willie Cheng Jue Hiang (Lead Independent Director) Mr Huang Cheng Eng (Independent Director) Mr Kyle Lee Khai Fatt (Independent Director) Mr Chia Boon Kuah (Non-executive Director) Mr Wee Kheng Jin (Non-executive Director)
Directors of FEO Hospitality Trust Management Pte. Ltd. (the "Trustee-Manager")	Mr Koh Boon Hwee (Chairman and Non-executive Director) Mr Willie Cheng Jue Hiang (Lead Independent Director) Mr Huang Cheng Eng (Independent Director) Mr Kyle Lee Khai Fatt (Independent Director) Mr Wee Kheng Jin (Non-executive Director)
Registered office of the REIT Manager and the Trustee-Manager (collectively, the "Managers")	14 Scotts Road #06-01 Far East Plaza Singapore 228213
Trustee of Far East Hospitality Real Estate Investment Trust ("Far East H-REIT", and the trustee of Far East H-REIT, the "REIT Trustee")	DBS Trustee Limited 12 Marina Boulevard #44-01 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982
Financial Adviser to the Managers	DBS Bank Ltd. 12 Marina Boulevard Level 46 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to (i) the Managers and (ii) the REIT Trustee (in relation to the non-Interested Person Transactions)	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the REIT Trustee (in relation to the Interested Person Transactions)	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Stapled Security Registrar and Stapled Security Transfer Office	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

Independent Financial Adviser	PrimePartners Corporate Finance Pte. Ltd. 20 Cecil Street #21-02 Equity Plaza Singapore 049705
Independent Accountants	Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583
Independent Property Valuers	Colliers International Consultancy & Valuation (Singapore) Pte Ltd 1 Raffles Place #45-00 One Raffles Place Singapore 048616
	Jones Lang LaSalle Property Consultants Pte Ltd 9 Raffles Place #38-01 Republic Plaza Singapore 048619

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SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 47 to 53 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

OVERVIEW OF THE ACQUISITION

Far East H-Trust is a hospitality stapled group comprising Far East H-REIT and Far East Hospitality Business Trust ("**Far East H-BT**"). Far East H-REIT is a Singapore-based real estate investment trust ("**REIT**") established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. Far East H-BT is a Singapore-based business trust which is dormant.

Far East H-REIT's existing portfolio comprises 11 properties consisting of seven hotels and four serviced residences located in Singapore (the "**Existing Portfolio**"). The seven hotels are Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel and The Quincy Hotel (the "**Existing Hotel Portfolio**"). The four serviced residences are Central Square Village Residences, Hougang Village Residences, Regency House and Riverside Village Residences.

The Proposed Acquisition by Far East H-REIT

On 15 April 2013, the REIT Trustee, on behalf of Far East H-REIT, entered into a conditional sale and purchase agreement with Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited (both being wholly-owned subsidiaries of The Straits Trading Company Limited ("**STC**")) (collectively, the "**Vendors**"), to acquire a 70-year leasehold estate in the property at 9 Bras Basah Road, Singapore 189559 (the "**Property**", and the 70-year leasehold estate in the Property, the "**Leasehold Interest**") together with the plant and equipment (the "**Acquisition**", and the conditional sale and purchase agreement in relation to the Acquisition, the "**Leasehold Interest SPA**").

Separately, on 15 April 2013, Serene Land Pte Ltd, a member of the Far East Organization group of companies (the "**FEO Group**"), entered into a conditional sale and purchase agreement with the Vendors to acquire the undertaking in connection with Hotel Rendezvous Private Limited's business of owning and operating the Hotel at the Property under the name "Rendezvous Grand Hotel Singapore" (the "**Hotel Undertaking**") and the reversionary interest for the remaining leasehold period in the Property (the "**Reversionary Interest**"), which is the entire leasehold estate in the Property for a term of 99 years (commencing on 30 March 1994) less the Leasehold Interest (the "**Reversionary Interest and Hotel Undertaking Transaction**"). Completion of the Reversionary Interest and Hotel Undertaking Transaction is conditional upon the completion of the Acquisition and *vice versa*.

The Managers are of the view that acquiring the full remaining leasehold interest in the Property of approximately 80 years (which involves the additional investment required for the acquisition of the Reversionary Interest) would not result in a similar increase in the yield accretion to the Stapled Securityholders (as defined herein) based on the same funding structure. The acquisition of the 70-year Leasehold Interest is therefore what the Managers had negotiated for and are of the view is optimal in terms of the yield accretion to the Stapled Securityholders. The instrument of lease pertaining to the 70-year Leasehold Interest will be registered upon completion of the Acquisition, and will be freely transferable without the need to obtain any approval from the FEO Group or the Vendors.

The purchase consideration payable to the Vendors under the Leasehold Interest SPA is S$264.3 million (the "**Purchase Consideration**"). The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and supported by independent valuations.

The REIT Manager has commissioned an independent property valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**") to value the Leasehold Interest. Although both the Listing Manual of the SGX-ST (the "**Listing Manual**") and Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") do not require Far East H-REIT to obtain two valuations for the Acquisition as the Acquisition does not constitute an Interested Person Transaction under Chapter 9 of the Listing Manual, Far East H-REIT has voluntarily procured another independent property valuer, Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**", and together with Colliers, the "**Independent Property Valuers**") to value the Leasehold Interest, so as to provide Stapled Securityholders with an additional valuation for reference. Colliers, in its report dated 8 March 2013, stated that the open market value of the Leasehold Interest (taking into account the Master Lease (as defined herein)) is S$277.0 million and JLL, in its report dated 4 April 2013, stated that the open market value of the Leasehold Interest (taking into account the Master Lease) is S$268.5 million.

(See Appendix D of this Circular for further details regarding the valuation of the Leasehold Interest.)

Description of the Property

The Property comprises a hotel known as Rendezvous Grand Hotel Singapore (the "**Hotel**") and a retail component known as Rendezvous Gallery (the "**Retail Component**").

Rendezvous Grand Hotel Singapore, which is located at 9 Bras Basah Road, Singapore 189559, is a business and leisure hotel located in the heart of Singapore's commercial and cultural district. It has 298 hotel rooms and suites which are equipped with modern amenities.

Rendezvous Gallery, which is also located at 9 Bras Basah Road, Singapore 189559, is the retail wing of Rendezvous Grand Hotel Singapore which has three levels of retail space dedicated to food and beverage ("**F&B**") outlets. Rendezvous Gallery is located near the central business district (the "**CBD**") and is accessible by public transport as it is within walking distance to the Dhoby Ghaut, City Hall and Bras Basah mass rapid transit ("**MRT**") stations. In addition, the proposed Bencoolen MRT station located towards the south-eastern corner of the Property is expected to be completed by 2017.

The following table sets out a summary of selected information on the Property as at 31 December 2012.

	The Property
Location	9 Bras Basah Road, Singapore 189559
Market Segment	Upscale
Leasehold Tenure(1)	70 years commencing from the Completion Date
Retail Net Floor Area ("NFA") (sq m)	2,295
Number of Available Rooms	298
Carpark Lots	81
RevPAR for the Forecast Period (S$)	166
Independent Valuation by Colliers (as at 31 December 2012) (S$'m)	Hotel: 227.0
	Retail Component: 50.0
	Total: 277.0
Independent Valuation by JLL (as at 31 December 2012) (S$'m)	Hotel: 220.0
	Retail Component: 48.5
	Total: 268.5
Purchase Consideration (S$'m)	264.3
Fixed Rent (per annum) (S$'m)	6.5
Variable Rent (per annum) (S$'m)	33.0% of Gross Operating Revenue(2) and 25.0% of Gross Operating Profit(3) less the Fixed Rent(4)
Vendors	Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited
Master Lessee	Serene Land Pte Ltd
Term of Master Lease (years)	20 years plus an option to renew for another 20 years at the Master Lessee's discretion

Notes:

(1) This refers to the length of leasehold title acquired by Far East H-REIT under the Leasehold Interest SPA.

(2) "**Gross Operating Revenue**" refers to the gross operating revenue of the Hotel.

(3) "**Gross Operating Profit**" refers to the gross operating profit of the Hotel, comprising Gross Operating Revenue less operating expenses.

(4) If the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

Estimated Total Acquisition Cost

The estimated total cost of the Acquisition (the "**Total Acquisition Cost**") is approximately S$270.1 million, comprising:

(i) the Purchase Consideration of S$264.3 million;

(ii) the acquisition fee payable to the REIT Manager for the Acquisition pursuant to the trust deed dated 1 August 2012 (as amended) constituting Far East H-REIT (the "**REIT Trust Deed**") (the "**Acquisition Fee**"), which amounts to approximately S$2.6 million (being 1.0% of the Purchase Consideration); and

(iii) the estimated professional and other fees and expenses incurred or to be incurred by Far East H-REIT in connection with the Acquisition (inclusive of debt financing related expenses) of approximately S$3.2 million.

The REIT Manager has elected for 80.0% of the Acquisition Fee to be paid in the form of Stapled Securities and the balance to be paid in cash. The Stapled Securities to be issued to the REIT Manager as partial payment of the Acquisition Fee will not be subject to a moratorium as the Acquisition is not an "interested party transaction" under the Property Funds Appendix.

Method of Financing

The REIT Manager intends to finance the Total Acquisition Cost (excluding the Acquisition Fee to be paid in the form of Stapled Securities) from a combination of:

(i) the issue of new Stapled Securities to the Vendors (or as directed in writing by the respective Vendors at their discretion, to STC or any wholly-owned subsidiary of STC) as partial consideration for the Acquisition (the "**Consideration Stapled Securities**") amounting to approximately S$68.0 million;

(ii) the issue of new Stapled Securities to the FEO Group (the "**Placement Stapled Securities**") amounting to approximately S$67.8 million; and

(iii) debt facilities of approximately S$132.2 million.

Rationale for and Key Benefits of the Acquisition

The Acquisition is consistent with Far East H-REIT's principal investment strategy to invest in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes. The REIT Manager believes that the Acquisition will bring the following key benefits to the Stapled Securityholders:

(i) Yield Accretion

Stapled Securityholders are expected to enjoy a higher distribution per Stapled Security ("**DPS**") as a result of the Acquisition being made with a purchase consideration which is reflective of levels of cash flow which the Property is expected to generate, together with an optimal debt and equity financing structure.

Stapled Securityholders are expected to enjoy an increase in the DPS approximately from 2.43 cents to 2.46 cents, which is an increase of approximately 1.1% for the period from the date of completion of the Acquisition ("**Completion Date**") to 31 December 2013 (the "**Forecast Period"**) after the Acquisition, assuming that the New Stapled Securities are issued at an illustrative issue price of S$1.10 (the "**Illustrative Issue Price**")[1].

(See "Rationale for and Key Benefits of the Acquisition" at paragraph 2.5 of the Letter to Stapled Securityholders for further details.)

(ii) High Quality Property with Strategic Location

(a) Strategic location which provides easy access to the business, shopping and cultural districts

Rendezvous Grand Hotel Singapore is an upscale hotel which is strategically located in the heart of Singapore's commercial and cultural district along Bras Basah Road. The Property is close to major tourist attractions such as the Orchard Road shopping belt, the National Museum of Singapore, the Singapore Art Museum and parks and green

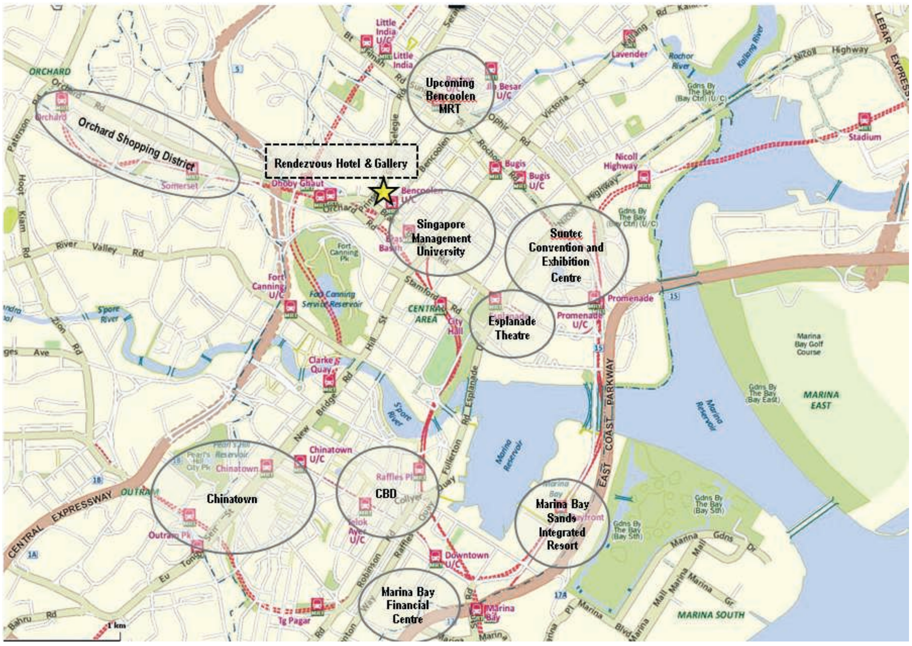
1 The New Stapled Securities will be issued at the prevailing 10-day VWAP (as defined herein).

spaces such as Fort Canning Park and the Padang. It is also located near major meetings, incentives, conventions and exhibitions ("**MICE**") venues such as Raffles City Convention Centre and the Suntec Singapore International Convention and Exhibition Centre, and educational institutions such as the School of the Arts and Singapore Management University.

The Property's proximity to the CBD and Orchard Road, which is the main shopping and entertainment district in the city, appeals to both business and leisure travellers as hotel guests have a wide variety of dining and shopping options. The Dhoby Ghaut and Bras Basah MRT stations which are a five minutes' walk away from the Property, provide easy accessibility for hotel guests. In addition, the proposed Bencoolen MRT station located towards the south-eastern corner of the Property is expected to be completed by 2017.

The following map shows the Property's strategic location in the Civic District with convenient transport connectivity.

Strategic Location of the Property in the Civic District of Singapore



Source: JLL in its valuation report dated 4 April 2013.

(b) **Beneficiary of the revamp of the Civic District in Singapore**

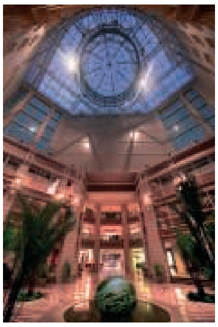
The Property will benefit from the expected improvements in the Civic District. The Urban Redevelopment Authority (the "**URA**") has invited consultants to participate in designing the Civic District to strengthen its identity and attractiveness as a world-class arts and cultural hub for Singapore. The project, which includes improvement of pedestrian connectivity to adjacent precincts, such as Fort Canning Park, Bras Basah, Bugis, City Hall and Marina Bay waterfront, and public spaces in the Civic District through landscaping works, is expected to be completed in 2015 and will be in tandem with the refurbishment of landmarks, such as the National Art Gallery, Victoria Theatre and Victoria Concert Hall.[1] Being located in the Civic District, the REIT Manager believes that the Property would be well-positioned to benefit from the revamp.

(c) **Recent refurbishments**

The Property underwent a major refurbishment programme for the period from 2011 to 2012 where the majority of the hotel rooms were refurbished with custom-designed furniture and equipped with state-of-art amenities designed with the needs of business and leisure travellers in mind. In addition, the hotel lobby, the Straits Ballroom and the other areas were upgraded as part of the refurbishment programme.

The refurbishment programme also created the new retail wing known as Rendezvous Gallery. Rendezvous Gallery has three levels of retail space dedicated to F&B.

Before Refurbishment



After Refurbishment

Source: Rendezvous Grand Hotel Singapore and/or Rendezvous Gallery.

(iii) **Attractive Growth Potential in Revenue per Available Room ("RevPAR")**

The RevPAR for the Hotel in the Forecast Period is expected to be S$166, compared to the RevPAR for the upscale hotel market segment of S$227.50[2] for the period from January 2013 to March 2013. This presents Far East H-Trust with an attractive opportunity to leverage on the expertise of the REIT Manager and the hotel operator to grow the Hotel's business. Therefore, the Acquisition will provide Far East H-Trust with an additional resilient and growing income stream with significant upside potential.

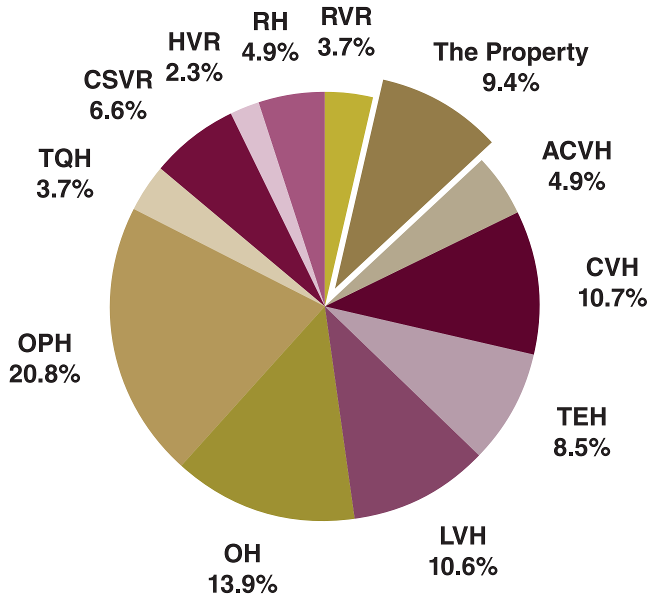
1 Source: http://www.ura.gov.sg/pr/text/2012/pr12-135.html (last accessed on the Latest Practicable Date). The URA has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the relevant report published by the URA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Managers nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

2 Source: Preliminary hotel industry estimates as at 3 May 2013 obtained from https://app.stb.gov.sg/asp/tou/tou0201.asp (last accessed on the Latest Practicable Date). The Singapore Tourism Board (the "**STB**") has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the relevant report published by the STB is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Managers nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

(iv) Greater Income Diversification

The Property is expected to contribute about 9.4% of the aggregate Net Property Income (as defined herein) of the Existing Portfolio[1] and the Property (collectively, the "**Enlarged Portfolio**") for the Forecast Period. With the Acquisition, the concentration risk of Far East H-Trust's income stream on any single property would be reduced and the maximum Net Property Income contribution for any single property would be lower, approximately from 23.0% to 20.8% for the Forecast Period.

Post-Acquisition Breakdown of Net Property Income by Asset for the Forecast Period[(1)]



Notes:

(1) Based on the proportionate amount of projected Net Property Income contribution for 12 months ending 31 December 2013 as disclosed in the prospectus dated 16 August 2012 (the "**Prospectus**") for the Existing Portfolio.

(2) "**ACVH**" – Albert Court Village Hotel, "**CVH**" – Changi Village Hotel, "**TEH**" – The Elizabeth Hotel, "**LVH**" – Landmark Village Hotel, "**OH**" – Oasia Hotel, "**OPH**" – Orchard Parade Hotel and "**TQH**" – The Quincy Hotel.

(3) "**CSVR**" – Central Square Village Residences, "**HVR**" – Hougang Village Residences, "**RH**" – Regency House and "**RVR**" – Riverside Village Residences.

(v) Alignment with the REIT Manager's Strategy

(a) Increased exposure to the fastest-growing and most profitable mid-tier and upscale market segments

The Acquisition is in line with the REIT Manager's strategy to increase Far East H-REIT's exposure to the mid-tier and upscale market segments, which it believes are the fastest-growing, most profitable and scalable hospitality market segments. The Acquisition will increase Far East H-Trust's number of hotel rooms in these market segments by approximately 13.8%, from 2,163 rooms to 2,461 rooms. Far East H-Trust's portfolio value in these market segments will also increase by approximately 12.6% from S$2,158.4 million[2] to S$2,431.2 million.

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1 Based on the proportionate amount of projected Net Property Income contribution for 12 months ending 31 December 2013 as disclosed in the Prospectus for the Existing Portfolio.

2 Based on the portfolio valuation as of 31 December 2012.

For the period between 2009 and 2012, the mid-tier and upscale market segments have enjoyed higher compound annual growth rate ("**CAGR**") in average daily rate ("**ADR**") of approximately 11.6% and 11.9% respectively, in comparison to the luxury and economy market segments which had CAGR of approximately 10.1% and 7.8% respectively. The mid-tier and upscale market segments have also enjoyed higher occupancy rates in 2012 of 87% and 88% respectively, in comparison to the luxury and economy market segments with occupancy rates of 82% and 85% respectively.[1]

(b) Increased exposure to the corporate segment

The Acquisition is in line with the REIT Manager's strategy to increase corporate contribution to the hotel portfolio's revenue, given Singapore's positioning as a key financial centre and business hub in the region and the Property's proximity to MICE venues and the CBD.

(vi) Greater Economies of Scale

With the addition of the Property to the Existing Portfolio in the mid-tier and upscale market segments, the REIT Manager believes that the hotel operator for the Enlarged Portfolio can further derive greater economies of scale in managing the properties through operational and cost synergies. This would in turn improve the Enlarged Portfolio's profitability, thereby translating into higher master lease rental income to Far East H-REIT and distributions to Stapled Securityholders.

Further, the Hotel's F&B outlets, including Straits Café, The Courtyard at Rendezvous Grand and Seribu Sari Indonesian Dining, are currently internally operated. As F&B businesses typically operate on thinner margins, the REIT Manager believes that the incoming hotel operator could potentially improve operating margins by outsourcing these F&B businesses.

It should be noted that Stapled Securityholders' approval is not required for the Acquisition as the Acquisition is not an Interested Person Transaction[2] under Chapter 9 of the Listing Manual and not a major transaction under Chapter 10 of the Listing Manual. However, under the terms of the Leasehold Interest SPA, the Acquisition is conditional upon the Managers obtaining Stapled Securityholders' approval for (i) the REIT Trustee's entry into the Master Lease Agreement, (ii) the issue of the Consideration Stapled Securities to STC, and (iii) the issue and placement of the Placement Stapled Securities to the FEO Group (collectively, the "**Transactions**"). The Consideration Stapled Securities account for approximately 50.0% of the New Stapled Securities to be issued. The issue and placement of the remaining approximately 50.0% of the New Stapled Securities to the FEO Group will allow the FEO Group to maintain their proportionate stapled securityholding, in percentage terms, at a substantially similar level immediately prior to the issue of the New Stapled Securities, so that the FEO Group continues to be in a position to support and grow Far East H-Trust over the long-term.

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1 Based on the "Annual Report on Tourism Statistics 2010/2011" published by the STB in December 2012 and hotel industry statistics as at 3 May 2013 obtained from https://app.stb.gov.sg/asp/tou/tou0201.asp (last accessed on the Latest Practicable Date). The STB has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the relevant report published by the STB is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Managers nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

2 "**Interested Person Transaction**" has the meaning ascribed to it in the Listing Manual.

The Proposed Master Lease of Rendezvous Grand Hotel Singapore

The REIT Trustee will enter into a master lease agreement with Serene Land Pte Ltd (the "**Master Lessee**") and the REIT Manager, in relation to the lease of the Hotel (which excludes any premises forming part of the Retail Component and specific commercial areas in the Hotel which are not subject to the Master Lease (collectively, the "**Excluded Commercial Premises**")), immediately upon the completion of the Acquisition (the "**Master Lease Agreement**"). Pursuant to the Master Lease Agreement, the Master Lessee will lease the Hotel for an initial term of 20 years, commencing from the Completion Date, with an option for the Master Lessee to obtain a lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew (the "**Master Lease**").

The Excluded Commercial Premises are not included in the Master Lease because they are used for retail and commercial business operations, which generate fairly stable and longer-term income when compared to hotel operations (in respect of which the Master Lease is in place to provide income stability). Notwithstanding that the Excluded Commercial Premises are not included in the Master Lease, they are part of the Property which will be owned by Far East H-REIT on completion of the Acquisition. In this regard, Far East H-REIT, as the owner of the Excluded Commercial Premises, will have to procure the operation, management and maintenance of these Excluded Commercial Premises. To this end, the REIT Trustee will contract with the Master Lessee (for administrative convenience and in order to enjoy economies of scale) to provide certain services for the benefit of the Excluded Commercial Premises, for which the REIT Trustee will have to make payment to the Master Lessee. This arrangement relating to the provision of services by the Master Lessee is also in line with the arrangement for the Existing Portfolio.

Pursuant to the Master Lease Agreement, the Master Lessee shall also:

(i) procure in consideration of the payment by the REIT Trustee of a fee, the provision of certain services for the Excluded Commercial Premises which may include grounds maintenance, fire alarm system maintenance, lifts and elevators maintenance, landscape maintenance, waste disposal services, sewerage maintenance, chiller plant maintenance, air-conditioner maintenance and other services (the "**Shared Services**"); and

(ii) procure and purchase on behalf and as agent of the REIT Trustee, electricity for the Excluded Commercial Premises (excluding any portion thereof for which utilities are (a) measured under sub-meter(s) and (b) invoiced by the supplier directly to the occupier(s) of such part(s) of the premises) (the "**Shared Electricity Services**").

The Proposed Management of the Excluded Commercial Premises

The REIT Trustee will enter into an agreement with the REIT Manager and a subsidiary of FEOrchard ("**FEOrchard Nominee**") immediately upon the completion of the Acquisition, where FEOrchard Nominee will provide property management services to the Excluded Commercial Premises (the "**Supplemental PMA**"). The Supplemental PMA will be entered into as a supplemental agreement to the property management agreement entered into between the REIT Trustee, the REIT Manager and Jelco Properties Pte Ltd (a wholly-owned subsidiary of FEOrchard) ("**Jelco**") on 2 August 2012, pursuant to which Jelco provides property management services to specific commercial areas in Far East H-REIT's existing properties (the "**Property Management Agreement**").

(See paragraph 2.7 of the Letter to Stapled Securityholders for further details.)

The Proposed Management of Rendezvous Grand Hotel Singapore

FEOrchard Nominee will be engaged by the Master Lessee under a management contract as the operator of the Hotel for a period of 20 years from the Completion Date, with an option exercisable by FEOrchard Nominee to renew the contract for a further 20 years on the same terms and conditions (save for amendments required due to any change in law).

(See paragraph 2.8 of the Letter to Stapled Securityholders for further details.)

SUMMARY OF APPROVALS SOUGHT

The Acquisition is conditional upon the Managers obtaining Stapled Securityholders' approval in relation to the following resolutions:

(1) RESOLUTION 1: THE PROPOSED MASTER LEASE OF RENDEZVOUS GRAND HOTEL SINGAPORE AS AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION) (CONDITIONAL UPON PASSING OF RESOLUTIONS 2 AND 3)

The REIT Manager is seeking Stapled Securityholders' approval for the REIT Trustee's entry into the proposed Master Lease Agreement with the Master Lessee and the REIT Manager in relation to the Hotel.

(2) RESOLUTION 2: THE PROPOSED ISSUE OF NEW STAPLED SECURITIES TO THE STRAITS TRADING COMPANY LIMITED AS PARTIAL CONSIDERATION FOR THE PROPOSED ACQUISITION (ORDINARY RESOLUTION) (CONDITIONAL UPON PASSING OF RESOLUTIONS 1 AND 3)

The Managers are seeking Stapled Securityholders' approval for the proposed issue of the Consideration Stapled Securities for the REIT Trustee's proposed Acquisition.

(3) RESOLUTION 3: THE PROPOSED ISSUE AND PLACEMENT OF NEW STAPLED SECURITIES TO THE FAR EAST ORGANIZATION GROUP OF COMPANIES AS AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION) (CONDITIONAL UPON PASSING OF RESOLUTIONS 1 AND 2)

The Managers are seeking Stapled Securityholders' approval for the proposed issue and placement of the Placement Stapled Securities to the FEO Group to partially finance the Total Acquisition Cost. The FEO Group will maintain their proportionate stapled securityholding, in percentage terms, at a substantially similar level immediately prior to the issue of the New Stapled Securities.

Resolution 3, which seeks the Stapled Securityholders' approval for the issue and placement of the Placement Stapled Securities to the FEO Group, is required in order to allow the FEO Group to maintain their proportionate stapled securityholding, in percentage terms, at a substantially similar level immediately prior to the issue of the New Stapled Securities, so that the FEO Group continues to be in a position to support and grow Far East H-Trust over the long-term. The Managers are also of the view that the placement of the Placement Stapled Securities to the FEO Group is an efficient method of funding as it minimises market risks and fund-raising costs for Far East H-Trust when compared to fund-raising from the market.

REQUIREMENT FOR STAPLED SECURITYHOLDERS' APPROVAL

Interested Person Transaction and Interested Party Transaction

As at 6 May 2013, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), the FEO Group holds an aggregate indirect interest in 837,185,939 Stapled Securities, which is equivalent to approximately 52.0% of the total number of Stapled Securities in issue as at the Latest Practicable Date, and is therefore regarded as a "controlling unitholder" of Far East H-REIT under both the Listing Manual and the Property Funds Appendix and a "controlling unitholder" of Far East H-BT under the Listing Manual. In addition, as the Managers are members[1] of the FEO Group, the FEO Group is therefore regarded as a "controlling shareholder" of the REIT Manager under both the Listing Manual and the Property Funds Appendix and a "controlling shareholder" of the Trustee-Manager under the Listing Manual.

As the Master Lessee is a member of the FEO Group, for the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, the Master Lessee (being a subsidiary of a "controlling unitholder" of Far East H-REIT and Far East H-BT and a subsidiary of a "controlling shareholder" of the Managers) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Far East H-REIT.

Therefore, the Master Lease will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual, as well as an Interested Party Transaction[2] under the Property Funds Appendix, in respect of which Stapled Securityholders' approval is required.

For the avoidance of doubt, Stapled Securityholders' approval is not required for the entry into the Supplemental PMA by the REIT Trustee and the REIT Manager because the Supplemental PMA is a supplemental agreement to the Property Management Agreement. The entry into the Property Management Agreement by the REIT Trustee and the REIT Manager was deemed to have been specifically approved by Stapled Securityholders upon their purchase of the Stapled Securities at the time of Far East H-Trust's initial public offering and is therefore not subject to Rules 905 and 906 of the Listing Manual to the extent to that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Far East H-REIT.[3]

(See paragraph 3.2 of the Letter to Stapled Securityholders for further details.)

Specific Approval from Stapled Securityholders for the Proposed Issue of the Consideration Stapled Securities

Pursuant to Rule 805(1) of the Listing Manual, the Managers are seeking the specific approval of Stapled Securityholders for the issue of the Consideration Stapled Securities to STC. The Consideration Stapled Securities will represent approximately 25.7% of the Purchase Consideration. The Consideration Stapled Securities will represent approximately 3.8% of the total number of issued Stapled Securities (as at 31 December 2012) and based on the Illustrative Issue Price of S$1.10.

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1 The Managers are each 67.0% owned by FEO Asset Management Pte Ltd, which is a wholly-owned subsidiary of Far East Organization Centre Pte. Ltd. ("**FEOC**") and 33.0% owned by FEOrchard. FEOrchard is 59.01% owned by Far East Organisation Pte. Ltd. ("**FEOPL**") as of the Latest Practicable Date. FEOC, FEOPL and FEOrchard are all members of the FEO Group.

2 "**Interested Party Transaction**" has the meaning ascribed to it in the Property Funds Appendix.

3 Please refer to page 258 of the Prospectus.

Specific Approval from Stapled Securityholders for the Proposed Issue and Placement of the Placement Stapled Securities

As at the Latest Practicable Date, the FEO Group holds an aggregate indirect interest in 837,185,939 Stapled Securities, which is equivalent to approximately 52.0% of the total number of Stapled Securities then in issue, and is therefore regarded as a "controlling unitholder" of Far East H-Trust. In addition, as the Managers are members[1] of the FEO Group, the FEO Group is therefore regarded as a substantial shareholder[2] of the Managers. Therefore, the FEO Group (being a "controlling unitholder" of Far East H-Trust and a "controlling shareholder" of the Managers) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Far East H-Trust.

Pursuant to Rule 805(1) of the Listing Manual, the Managers are seeking the specific approval of Stapled Securityholders for the issue of the Placement Stapled Securities to the FEO Group.

Pursuant to Rule 812(2) of the Listing Manual, Stapled Securityholders' approval by way of Ordinary Resolution (as defined herein) is required for placement of the Placement Stapled Securities to the FEO Group. This is because the FEO Group is a Substantial Stapled Securityholder[3] of Far East H-Trust and a substantial shareholder of the Managers. The FEO Group and each of its associates, including the Managers, are prohibited from voting on the resolution to permit such a placement of the Placement Stapled Securities.

Pursuant to Chapter 9 of the Listing Manual, the Managers are seeking Stapled Securityholders' approval for the issue and placement of the Placement Stapled Securities to the FEO Group.

(See Paragraph 5.3 of the Letter to Stapled Securityholders for further details.)

RATIONALE FOR AND KEY BENEFITS OF THE (I) MASTER LEASE, (II) ISSUE OF THE CONSIDERATION STAPLED SECURITIES AND (III) ISSUE AND PLACEMENT OF THE PLACEMENT STAPLED SECURITIES

The Managers believe that the (i) Master Lease, (ii) issue of the Consideration Stapled Securities and (iii) issue and placement of the Placement Stapled Securities will bring the following key benefits to the Stapled Securityholders:

(1) Downside Protection through the Master Lease Agreement with Expected Rental Growth

The Hotel will be leased to the Master Lessee pursuant to the Master Lease Agreement. The initial term of the Master Lease Agreement is 20 years from the Completion Date, with an option for the Master Lessee to obtain a lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew. The long tenure of the Master Lease Agreement is expected to provide Far East H-REIT with a long-term stream of quality rental income. The rental payment under the Master Lease Agreement comprises a fixed rent component (the "**Fixed Rent**") and a variable rent component (the "**Variable Rent**"). The Fixed Rent is approximately 60.8% of the total rental payment of the Hotel for the Forecast Period, compared to approximately 49.6%

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1 The Managers are each 67.0% owned by FEO Asset Management Pte Ltd, which is a wholly-owned subsidiary of FEOC and 33.0% owned by FEOrchard. FEOrchard is 59.01% owned by FEOPL as of the Latest Practicable Date. FEOC, FEOPL and FEOrchard are all members of the FEO Group.

2 As defined in the Companies Act, Chapter 50 of Singapore.

3 "**Substantial Stapled Securityholder**" refers to a person with an interest in Stapled Securities constituting not less than 5.0% of the total number of Stapled Securities in issue.

for the Existing Hotel Portfolio. The Fixed Rent provides downside protection to Far East H-REIT as it provides for a minimum rental payment regardless of the Master Lessee's performance. This mitigates any risk on income caused by the uncertainty and volatility of global economic conditions.

(2) Minimised Market Risks and Costs

The Managers believe that the issue of Stapled Securities to STC and the FEO Group is an efficient funding method as opposed to fund-raising from the market. The issue of Stapled Securities to STC and the FEO Group will be based on the prevailing 10-day VWAP. A fund-raising from the market would involve greater market risks including pricing risk and completion risk. It would typically require new Stapled Securities to be issued at a discount to the market price, thereby resulting in a lower DPS yield accretion to Stapled Securityholders. Further, there is greater completion risk as subscription for new Stapled Securities would depend on market demand. In addition, Far East H-Trust will not incur equity fund-raising costs which would otherwise be incurred in a fund-raising from the market.

(3) Alignment of Interests with the Existing Stapled Securityholders

The issue of new Stapled Securities to STC (or such other person(s) nominated by STC) and the FEO Group will align their interests with that of the other Stapled Securityholders. The issue of the Placement Stapled Securities will also allow the FEO Group to maintain its level of stapled securityholding in Far East H-Trust, and continue to be in a position to support and grow Far East H-Trust over the long-term.

To demonstrate its alignment of interest with the existing Stapled Securityholders, STC will enter into a lock-up arrangement with the Managers in respect of the Consideration Stapled Securities, for the period commencing from the date on which the New Stapled Securities are issued (the "**Issue Date**") until the date falling 180 days after the Issue Date (both dates inclusive).

INDICATIVE TIMETABLE

The timetable for the extraordinary general meeting ("**EGM**") is indicative only and is subject to change at the absolute discretion of the Managers. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event		**Date and Time**
Last date and time for lodgement of Proxy Forms	:	Wednesday, 29 May 2013 at 2.30 p.m.
Date and time of the EGM	:	Friday, 31 May 2013 at 2.30 p.m.
If the approval for the Transactions is obtained at the EGM:		
Target date for completion of the Acquisition	:	The later of: (i) the date falling 15 business days after the date of service of the completion notice (to be served by the Vendors on the REIT Trustee within three business days of satisfaction of the last of the conditions precedent); (ii) 1 August 2013; or (iii) such other date as may be agreed in writing between the parties. Concurrent with the completion of the Reversionary Interest and Hotel Undertaking Transaction.
Target date for entry into the Master Lease Agreement	:	Contemporaneous with the completion of the Acquisition and the Reversionary Interest and Hotel Undertaking Transaction
Target date on which the Transfer Books and Register of Stapled Securityholders will be closed to determine the Stapled Securityholders entitled to the Advance Distribution (as defined herein)	:	22 July 2013 (or such other date to be determined)
Issue of the New Stapled Securities as well as commencement of trading of the New Stapled Securities on the SGX-ST	:	Upon the completion of the Acquisition
Date of payment of the Advance Distribution	:	To be determined

FAR EAST HOSPITALITY TRUST

Comprising:

FAR EAST HOSPITALITY REAL ESTATE INVESTMENT TRUST	FAR EAST HOSPITALITY BUSINESS TRUST
(a real estate investment trust constituted on 1 August 2012 under the laws of the Republic of Singapore)	(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

Directors of the REIT Manager

Mr Koh Boon Hwee (Chairman and Non-executive Director)
Mr Willie Cheng Jue Hiang (Lead Independent Director)
Mr Huang Cheng Eng (Independent Director)
Mr Kyle Lee Khai Fatt (Independent Director)
Mr Chia Boon Kuah (Non-executive Director)
Mr Wee Kheng Jin (Non-executive Director)

Registered Office

14 Scotts Road
#06-01 Far East Plaza
Singapore 228213

Directors of the Trustee-Manager

Mr Koh Boon Hwee (Chairman and Non-executive Director)
Mr Willie Cheng Jue Hiang (Lead Independent Director)
Mr Huang Cheng Eng (Independent Director)
Mr Kyle Lee Khai Fatt (Independent Director)
Mr Wee Kheng Jin (Non-executive Director)

15 May 2013

To: Stapled Securityholders of Far East H-Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Managers are convening the EGM to seek Stapled Securityholders' approval in relation to the following resolutions:

(1) Resolution 1: The Proposed Master Lease of Rendezvous Grand Hotel Singapore as an Interested Person Transaction (Ordinary Resolution) (Conditional upon passing of Resolutions 2 and 3)

(2) Resolution 2: The Proposed Issue of New Stapled Securities to The Straits Trading Company Limited as Partial Consideration for the Proposed Acquisition (Ordinary Resolution) (Conditional upon passing of Resolutions 1 and 3)

(3) Resolution 3: The Proposed Issue and Placement of New Stapled Securities to the Far East Organization Group of Companies as an Interested Person Transaction (Ordinary Resolution) (Conditional upon passing of Resolutions 1 and 2)

2. DETAILS OF THE ACQUISITION

2.1 Introduction

On 15 April 2013, the REIT Trustee, on behalf of Far East H-REIT, entered into the Leasehold Interest SPA with the Vendors to acquire the Leasehold Interest together with the plant and equipment. The Acquisition is not in itself subject to Stapled Securityholders' approval as the Acquisition is not an Interested Person Transaction under Chapter 9 of the Listing Manual and not a major transaction under Chapter 10 of the Listing Manual. However, under the terms of the Leasehold Interest SPA, the Acquisition is conditional upon the Managers obtaining Stapled Securityholders' approval for the Transactions[1].

Separately, on 15 April 2013, Serene Land Pte Ltd, a member of the FEO Group, entered into the Reversionary Interest and Hotel Undertaking Transaction with the Vendors. Completion of the Reversionary Interest and Hotel Undertaking Transaction is conditional upon the completion of the Acquisition and *vice versa*.

The Managers are of the view that acquiring the full remaining leasehold interest in the Property of approximately 80 years (which involves the additional investment required for the acquisition of the Reversionary Interest) would not result in a similar increase in the yield accretion to the Stapled Securityholders based on the same funding structure. The acquisition of the 70-year Leasehold Interest is therefore what the Managers had negotiated for and are of the view is optimal in terms of the yield accretion to the Stapled Securityholders. The instrument of lease pertaining to the 70-year Leasehold Interest will be registered upon completion of the Acquisition, and will be freely transferable without the need to obtain any approval from the FEO Group or the Vendors.

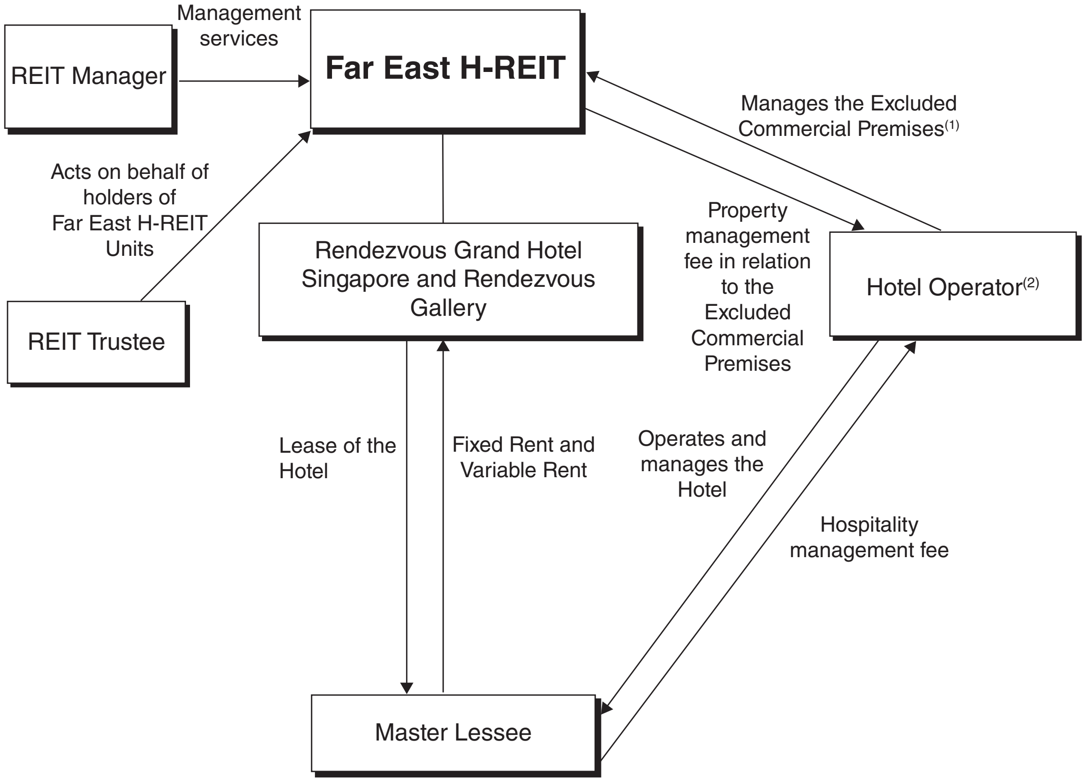
The Purchase Consideration payable to the Vendors under the Leasehold Interest SPA is S$264.3 million. The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and supported by independent valuations.

The REIT Manager has commissioned an independent property valuer, Colliers, to value the Leasehold Interest. Although both the Listing Manual and the Property Funds Appendix do not require Far East H-REIT to obtain two valuations for the Acquisition as the Acquisition does not constitute an Interested Person Transaction under Chapter 9 of the Listing Manual, Far East H-REIT has voluntarily procured another independent property valuer, JLL, to value the Leasehold Interest, so as to provide Stapled Securityholders with an additional valuation for reference. Colliers, in its report dated 8 March 2013, stated that the open market value of the Leasehold Interest (taking into account the Master Lease) is S$277.0 million and JLL, in its report dated 4 April 2013, stated that the open market value of the Leasehold Interest (taking into account the Master Lease) is S$268.5 million.

(See Appendix D of this Circular for further details regarding the valuation of the Leasehold Interest.)

1 "**Transactions**" refer to the Master Lease, the issue of the Consideration Stapled Securities, and the issue and placement of the Placement Stapled Securities.

The following diagram sets out the proposed holding structure of the Leasehold Interest post-Acquisition.



Notes:

(1) The "**Excluded Commercial Premises**" refer to the Retail Component and specific commercial areas in the Hotel which are not subject to the Master Lease and in respect of which FEOrchard Nominee will provide property management services.

(2) The "Hotel Operator" refers to FEOrchard Nominee, which will be engaged by the Master Lessee under a management contract to be the operator of the Hotel.

2.2 Description of the Property

The Property comprises the Hotel known as Rendezvous Grand Hotel Singapore and the Retail Component known as Rendezvous Gallery.

Rendezvous Grand Hotel Singapore, which is located at 9 Bras Basah Road, Singapore 189559, is a business and leisure hotel located in the heart of Singapore's commercial and cultural district. It has 298 hotel rooms and suites which are equipped with modern amenities.

Rendezvous Gallery, which is also located at 9 Bras Basah Road, Singapore 189559, is the retail wing of Rendezvous Grand Hotel Singapore which has three levels of retail space dedicated to F&B outlets. Rendezvous Gallery is located near the CBD and is accessible by public transport as it is within walking distance to the Dhoby Ghaut, City Hall and Bras Basah MRT stations. In addition, the proposed Bencoolen MRT station located towards the south-eastern corner of the Property is expected to be completed by 2017.

Selected information on the Property as at 31 December 2012 is set out in the table below:

	The Property
Location	9 Bras Basah Road, Singapore 189559
Market Segment	Upscale
Leasehold Tenure[1]	70 years commencing from the Completion Date
Retail NFA (sq m)	2,295
Number of Available Rooms	298
Carpark Lots	81
RevPAR for the Forecast Period (S$)	166
Independent Valuation by Colliers (as at 31 December 2012) (S$'m)	Hotel: 227.0
	Retail Component: 50.0
	Total: 277.0
Independent Valuation by JLL (as at 31 December 2012) (S$'m)	Hotel: 220.0
	Retail Component: 48.5
	Total: 268.5
Purchase Consideration (S$'m)	264.3
Fixed Rent (per annum) (S$'m)	6.5
Variable Rent (per annum) (S$'m)	33.0% of Gross Operating Revenue and 25.0% of Gross Operating Profit less the Fixed Rent[2]
Vendors	Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited
Master Lessee	Serene Land Pte Ltd
Term of Master Lease (years)	20 years plus an option to renew for another 20 years at the Master Lessee's discretion

Notes:

(1) This refers to the length of leasehold title acquired by Far East H-REIT under the Leasehold Interest SPA.

(2) If the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

2.3 Estimated Total Acquisition Cost

The estimated Total Acquisition Cost is approximately S$270.1 million, comprising:

(i) the Purchase Consideration of S$264.3 million;

(ii) the Acquisition Fee, which amounts to approximately S$2.6 million (being 1.0% of the Purchase Consideration); and

(iii) the estimated professional and other fees and expenses incurred or to be incurred by Far East H-REIT in connection with the Acquisition (inclusive of debt financing related expenses) of approximately S$3.2 million.

The REIT Manager has elected for 80.0% of the Acquisition Fee to be paid in the form of Stapled Securities and the balance to be paid in cash. The Stapled Securities to be issued to the REIT Manager as partial payment of the Acquisition Fee will not be subject to a moratorium as the Acquisition is not an "interested party transaction" under the Property Funds Appendix.

2.4 Method of Financing

The REIT Manager intends to finance the Total Acquisition Cost (excluding the Acquisition Fee to be paid in the form of Stapled Securities) from a combination of:

(i) the issue of the Consideration Stapled Securities to STC amounting to approximately S$68.0 million;

(ii) the issue of the Placement Stapled Securities to the FEO Group amounting to approximately S$67.8 million; and

(iii) debt facilities of approximately S$132.2 million.

2.5 Rationale for and Key Benefits of the Acquisition

The Acquisition is consistent with Far East H-REIT's principal investment strategy to invest in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes. The REIT Manager believes that the Acquisition will bring the following key benefits to the Stapled Securityholders:

2.5.1 Yield Accretion

Stapled Securityholders are expected to enjoy a higher DPS as a result of the Acquisition being made with a purchase consideration which is reflective of levels of cash flow which the Property is expected to generate, together with an optimal debt and equity financing structure.

Stapled Securityholders are expected to enjoy an increase in the DPS approximately from 2.43 cents to 2.46 cents, which is an increase of approximately 1.1% for the Forecast Period after the Acquisition, assuming that the New Stapled Securities are issued at the Illustrative Issue Price[1].

To illustrate the DPS accretion arising from the Acquisition, the following table shows the Forecast Period DPS in relation to (i) the Existing Portfolio and (ii) the Enlarged Portfolio of the Forecast Period, assuming:

(a) total proceeds from the issue of the New Stapled Securities of approximately S$135.8 million;

(b) an illustrative issue price range of S$1.05 to S$1.25[1] per new Stapled Security; and

(c) the drawdown of approximately S$132.2 million of debt facilities to partially fund the Acquisition.

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1 The New Stapled Securities will be issued at the prevailing 10-day VWAP.

Assumed Issue Price of New Stapled Securities	No. of New Stapled Securities Issued	Forecast Period 2013 DPS		
		Existing Portfolio (cents)	Enlarged Portfolio (cents)	DPS Accretion (%)
1.05	129,370,810	2.43	2.45	0.7%
1.06	128,150,330	2.43	2.45	0.8%
1.07	126,952,664	2.43	2.45	0.9%
1.08	125,777,176	2.43	2.45	0.9%
1.09	124,623,257	2.43	2.45	1.0%
1.10	123,490,318	2.43	2.46	1.1%
1.11	122,377,793	2.43	2.46	1.1%
1.12	121,285,134	2.43	2.46	1.2%
1.13	120,211,814	2.43	2.46	1.3%
1.14	119,157,325	2.43	2.46	1.3%
1.15	118,121,174	2.43	2.46	1.4%
1.16	117,102,888	2.43	2.46	1.4%
1.17	116,102,009	2.43	2.47	1.5%
1.18	115,118,093	2.43	2.47	1.6%
1.19	114,150,714	2.43	2.47	1.6%
1.20	113,199,458	2.43	2.47	1.7%
1.21	112,263,926	2.43	2.47	1.7%
1.22	111,343,730	2.43	2.47	1.8%
1.23	110,438,496	2.43	2.47	1.8%
1.24	109,547,863	2.43	2.48	1.9%
1.25	108,671,480	2.43	2.48	1.9%

2.5.2 High Quality Property with Strategic Location

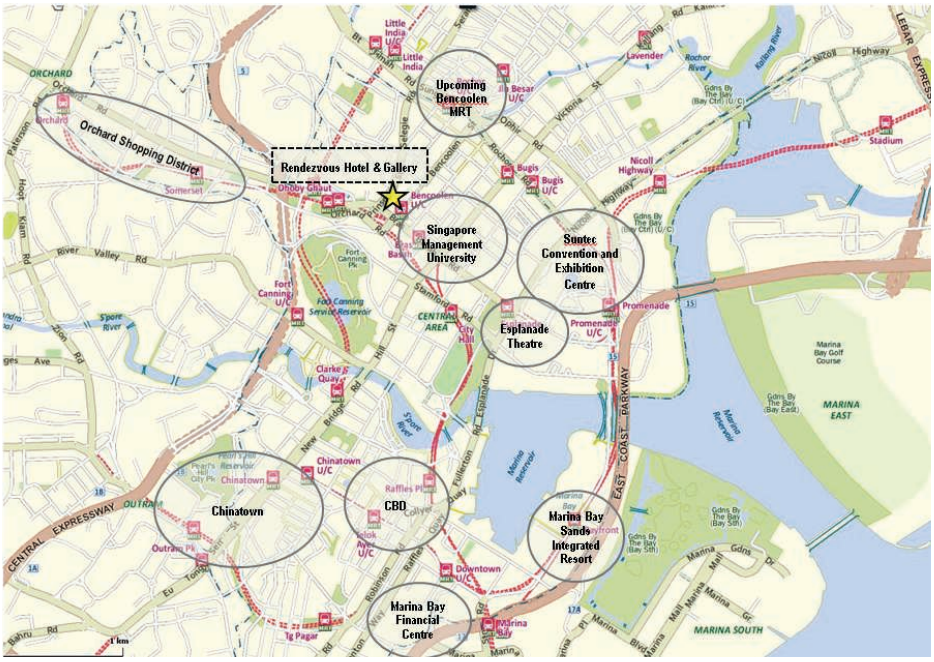
(i) Strategic location which provides easy access to the business, shopping and cultural districts

Rendezvous Grand Hotel Singapore is an upscale hotel which is strategically located in the heart of Singapore's commercial and cultural district along Bras Basah Road. The Property is close to major tourist attractions such as the Orchard Road shopping belt, the National Museum of Singapore, the Singapore Art Museum and parks and green spaces such as Fort Canning Park and the Padang. It is also located near major MICE venues such as Raffles City Convention Centre and the Suntec Singapore International Convention and Exhibition Centre, educational institutions such as the School of the Arts and Singapore Management University.

The Property's proximity to the CBD and Orchard Road, which is the main shopping and entertainment district in the city, appeals to both business and leisure travellers as hotel guests have a wide variety of dining and shopping options. The Dhoby Ghaut and Bras Basah MRT stations which are a five minutes' walk away from the Property, provide easy accessibility for hotel guests. In addition, the proposed Bencoolen MRT station located towards the south-eastern corner of the Property is expected to be completed by 2017.

The following map shows the Property's strategic location in the Civic District with convenient transport connectivity.

Strategic Location of the Property in the Civic District of Singapore



Source: JLL in its valuation report dated 4 April 2013.

(ii) Beneficiary of the revamp of the Civic District in Singapore

The Property will benefit from the expected improvements in the Civic District. The URA has invited consultants to participate in designing the Civic District to strengthen its identity and attractiveness as a world-class arts and cultural hub for Singapore. The project, which includes improvement of pedestrian connectivity to adjacent precincts, such as Fort Canning Park, Bras Basah, Bugis, City Hall and Marina Bay waterfront, and public spaces in the Civic District through landscaping works, is expected to be completed in 2015 and will be in tandem with the refurbishment of landmarks, such as the National Art Gallery, Victoria Theatre and Victoria Concert Hall.[1] Being located in the Civic District, the REIT Manager believes that the Property would be well-positioned to benefit from the revamp.

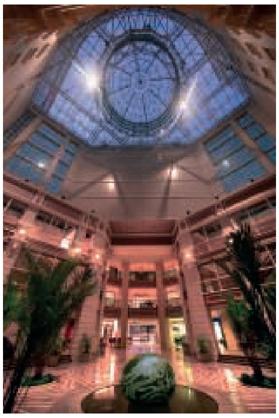
1 Source: http://www.ura.gov.sg/pr/text/2012/pr12-135.html (last accessed on the Latest Practicable Date). The URA has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the relevant report published by the URA is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Managers nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

(iii) **Recent refurbishments**

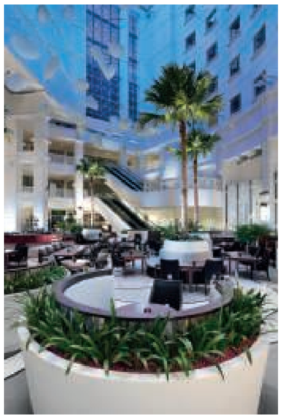
The Property underwent a major refurbishment programme for the period from 2011 to 2012 where the majority of the hotel rooms were refurbished with custom-designed furniture and equipped with state-of-art amenities designed with the needs of business and leisure travellers in mind. In addition, the hotel lobby, the Straits Ballroom and the other areas were upgraded as part of the refurbishment programme.

The refurbishment programme also created the new retail wing known as Rendezvous Gallery. Rendezvous Gallery has three levels of retail space dedicated to F&B.

Before Refurbishment



After Refurbishment



Source: Rendezvous Grand Hotel Singapore and/or Rendezvous Gallery.

2.5.3 Attractive Growth Potential in RevPAR

The RevPAR for the Hotel in the Forecast Period is expected to be S$166, compared to the RevPAR for the upscale hotel market segment of S$227.50[1] for the period from January 2013 to March 2013. This presents Far East H-Trust with an attractive opportunity to leverage on the expertise of the REIT Manager and the hotel operator to grow the Hotel's business. Therefore, the Acquisition will provide Far East H-Trust with an additional resilient and growing income stream with significant upside potential.

2.5.4 Greater Income Diversification

The Property is expected to contribute about 9.4% of the aggregate Net Property Income of the Enlarged Portfolio[2] for the Forecast Period. With the Acquisition, the concentration risk of Far East H-Trust's income stream on any single property would be reduced and the maximum Net Property Income contribution for any single property would be lower, approximately from 23.0% to 20.8% for the Forecast Period.

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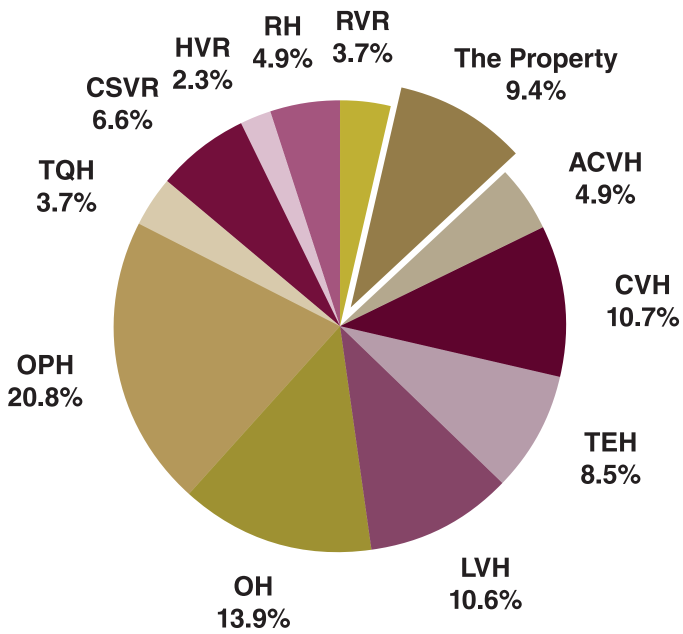
1 Source: Preliminary hotel industry estimates as at 3 May 2013 obtained from https://app.stb.gov.sg/asp/tou/tou0201.asp (last accessed on the Latest Practicable Date). The STB has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the relevant report published by the STB is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Managers nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

2 Based on the proportionate amount of projected Net Property Income contribution for 12 months ending 31 December 2013 as disclosed in the Prospectus for the Existing Portfolio.

Post-Acquisition Breakdown of Net Property Income by Asset for the Forecast Period(1)



Notes:

(1) Based on the proportionate amount of projected Net Property Income contribution for 12 months ending 31 December 2013 as disclosed in the Prospectus for the Existing Portfolio.

(2) "**ACVH**" – Albert Court Village Hotel, "**CVH**" – Changi Village Hotel, "**TEH**" – The Elizabeth Hotel, "**LVH**" – Landmark Village Hotel, "**OH**" – Oasia Hotel, "**OPH**" – Orchard Parade Hotel and "**TQH**" – The Quincy Hotel.

(3) "**CSVR**" – Central Square Village Residences, "**HVR**" – Hougang Village Residences, "**RH**" – Regency House and "**RVR**" – Riverside Village Residences.

2.5.5 Alignment with the REIT Manager's Strategy

(i) Increased exposure to the fastest-growing and most profitable mid-tier and upscale market segments

The Acquisition is in line with the REIT Manager's strategy to increase Far East H-REIT's exposure to the mid-tier and upscale market segments, which it believes are the fastest-growing, most profitable and scalable hospitality market segments. The Acquisition will increase Far East H-Trust's number of hotel rooms in these market segments by approximately 13.8%, from 2,163 rooms to 2,461 rooms. Far East H-Trust's portfolio value in these market segments will also increase by approximately 12.6% from S$2,158.4 million[1] to S$2,431.2 million.

For the period between 2009 and 2012, the mid-tier and upscale market segments have enjoyed higher CAGR in ADR[2] of approximately 11.6% and 11.9% respectively, in comparison to the luxury and economy market segments which had CAGR of approximately 10.1% and 7.8% respectively. The mid-tier and upscale market segments have also enjoyed higher

1 Based on the portfolio valuation as of 31 December 2012.

2 "**ADR**" refers to the average daily rate.

occupancy rates in 2012 of 87% and 88% respectively, in comparison to the luxury and economy market segments with occupancy rates of 82% and 85% respectively.[1]

(ii) Increased exposure to the corporate segment

The Acquisition is in line with the REIT Manager's strategy to increase corporate contribution to the hotel portfolio's revenue, given Singapore's positioning as a key financial centre and business hub in the region and the Property's proximity to MICE venues and the CBD.

2.5.6 Greater Economies of Scale

With the addition of the Property to the Existing Portfolio in the mid-tier and upscale market segments, the REIT Manager believes that the hotel operator for the Enlarged Portfolio can further derive greater economies of scale in managing the properties through operational and cost synergies. This would in turn improve the Enlarged Portfolio's profitability, thereby translating into higher master lease rental income to Far East H-REIT and distributions to Stapled Securityholders.

Further, the Hotel's F&B outlets, including Straits Café, The Courtyard at Rendezvous Grand and Seribu Sari Indonesian Dining, are currently internally operated. As F&B businesses typically operate on thinner margins, the REIT Manager believes that the incoming hotel operator could potentially improve operating margins by outsourcing these F&B businesses.

It should be noted that Stapled Securityholders' approval is not required for the Acquisition as the Acquisition is not an Interested Person Transaction under Chapter 9 of the Listing Manual and not a major transaction under Chapter 10 of the Listing Manual. However, under the terms of the Leasehold Interest SPA, the Acquisition is conditional upon the Managers obtaining Stapled Securityholders' approval for the Transactions. The Consideration Stapled Securities account for approximately 50.0% of the New Stapled Securities to be issued. The issue and placement of the remaining approximately 50.0% of the New Stapled Securities to the FEO Group will allow the FEO Group to maintain their proportionate stapled securityholding, in percentage terms, at a substantially similar level immediately prior to the issue of the New Stapled Securities, so that the FEO Group continues to be in a position to support and grow Far East H-Trust over the long-term.

2.6 The Proposed Master Lease of Rendezvous Grand Hotel Singapore

The REIT Trustee will enter into the Master Lease Agreement with the Master Lessee and the REIT Manager, in relation to the lease of the Hotel (which excludes any premises forming part of the Excluded Commercial Premises), immediately upon the completion of the Acquisition. Pursuant to the Master Lease Agreement, the Master Lessee will lease the Hotel for an initial term of 20 years, commencing from the Completion Date, with an option for the Master Lessee to obtain a lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew.

1 Based on the "Annual Report on Tourism Statistics 2010/2011" published by the STB in December 2012 and hotel industry statistics as at 3 May 2013 obtained from https://app.stb.gov.sg/asp/tou/tou0201.asp (last accessed on the Latest Practicable Date). The STB has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Managers have taken reasonable actions to ensure that the information from the relevant report published by the STB is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Managers nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

The Excluded Commercial Premises are not included in the Master Lease because they are used for retail and commercial business operations, which generate fairly stable and longer-term income when compared to hotel operations (in respect of which the Master Lease is in place to provide income stability). Notwithstanding that the Excluded Commercial Premises are not included in the Master Lease, they are part of the Property which will be owned by Far East H-REIT on completion of the Acquisition. In this regard, Far East H-REIT, as the owner of the Excluded Commercial Premises, will have to procure the operation, management and maintenance of these Excluded Commercial Premises. To this end, the REIT Trustee will contract with the Master Lessee (for administrative convenience and in order to enjoy economies of scale) to provide certain services for the benefit of the Excluded Commercial Premises, for which the REIT Trustee will have to make payment to the Master Lessee. This arrangement relating to the provision of services by the Master Lessee is also in line with the arrangement for the Existing Portfolio.

Pursuant to the Master Lease Agreement, the Master Lessee shall also:

(i) procure in consideration of the payment by the REIT Trustee of a fee, the provision of the Shared Services[1]; and

(ii) procure and purchase on behalf and as agent of the REIT Trustee, electricity for the Excluded Commercial Premises (excluding any portion thereof for which utilities are (a) measured under sub-meter(s) and (b) invoiced by the supplier directly to the occupier(s) of such part(s) of the premises).

2.7 The Proposed Management of the Excluded Commercial Premises

The REIT Trustee will enter into the Supplemental PMA with the REIT Manager and FEOrchard Nominee, immediately upon the completion of the Acquisition, where FEOrchard Nominee will provide property management services to the Excluded Commercial Premises. The Supplemental PMA will be entered into as a supplemental agreement to the Property Management Agreement entered into between the REIT Trustee, the REIT Manager and Jelco.

The Property Management Agreement provides that in respect of each property acquired by the REIT Trustee during the term of the Property Management Agreement (which is 20 years from the Listing Date (as defined herein) unless terminated earlier) (the "**Term**"), the REIT Trustee shall give written notice to Jelco (as the property manager) confirming:

(i) the date of completion of the transfer of such property to the REIT Trustee;

(ii) that such property shall be included in the definition of "Properties" in the Property Management Agreement; and

(iii) that such acquired property shall be managed by Jelco for the residue of the duration of the Term and otherwise on the terms of the Property Management Agreement.

The Property Management Agreement further provides that in respect of each of the after acquired Properties, the REIT Manager and the property manager will enter into a supplemental agreement in order to include each of the after acquired Properties in the Property Management Agreement.

1 "**Shared Services**" refer to certain services for the Excluded Commercial Premises as procured by the Master Lessee in consideration of payment by the REIT Trustee of a fee, which may include grounds maintenance, fire alarm system maintenance, lifts and elevators maintenance, landscape maintenance, waste disposal services, sewerage maintenance, chiller plant maintenance, air-conditioner maintenance and other services.

The Supplemental PMA provides for:

(i) the insertion of the definition of "After Acquired Properties" in the Property Management Agreement;

(ii) the amendment of the definition of "Properties" to include "After Acquired Properties"; and

(iii) consequential amendments to reflect the insertion of "After Acquired Properties".

The Supplemental PMA does not change the rates and/or bases set out in the Property Management Agreement.

2.8 The Proposed Management of Rendezvous Grand Hotel Singapore

FEOrchard Nominee will be engaged by the Master Lessee under a management contract as the operator of the Hotel for a period of 20 years from the Completion Date, with an option exercisable by FEOrchard Nominee to renew the contract for a further 20 years on the same terms and conditions (save for amendments required due to any change in law). It will provide, among others, the following services for the Hotel:

- hotel management services such as the daily running and managing of the Hotel and related activities (e.g. the management of hotel rooms, banquet and function rooms, F&B services, laundry services etc.);
- marketing services, including the planning, preparation and conduct of marketing, advertising, promotion, public relations, publicity and related activities for the purpose of promoting the business and enhancing the reputation of the Hotel;
- sales and distribution activities, including signing corporate accounts, running a central reservation system, managing a booking engine on the internet, contracting with online travel agents and wholesalers, and signing up with a global distribution system to make the hotel rooms available to agents worldwide;
- development of programmes and policies to maximise patronage of the facilities of the Hotel;
- collecting charges, rents and other amounts due from hotel guests, patrons and tenants;
- employing, supervising and training the hospitality employees and staff required to operate, manage, market and maintain the Hotel in accordance with the annual budget agreed with the Master Lessee;
- establishing the details of the refurbishment plans for the Hotel, with the approval of the Master Lessee;
- purchasing all furniture, fixtures, furnishings and equipment ("**FF&E**") for the Hotel in accordance with capital refurbishment programmes or the approved annual budget for the Hotel;
- preparing the annual business plans of the Hotel, including the annual budget and marketing strategy;

- negotiating new or renewed lease/licence agreements;

- establishing the cash management and banking arrangements for the Hotel; and

- establishing the Hotel's policy regarding its association with any credit card system.

2.9 Certain Principal Terms of the Leasehold Interest SPA

The principal terms of the Leasehold Interest SPA include, among others, the following conditions precedent:

(i) the approval of the shareholders in general meeting of STC for (a) the sale of the Leasehold Interest together with the plant and equipment and (b) the sale of the Hotel Undertaking and the Reversionary Interest;

(ii) the Stapled Securityholders' approval for the Transactions;

(iii) the receipt of written approval-in-principle from the SGX-ST for the listing of the Consideration Stapled Securities and the Placement Stapled Securities; and

(iv) evidence of acknowledgement from Singapore Land Authority ("**SLA**") that SLA is aware of the Excess GFA[1] and that there is no pending action taken by the head lessor under the State Lease (as defined herein) to re-enter and terminate the State Lease.

Under the terms of the Leasehold Interest SPA, the Vendors have made certain representations and warranties and their liabilities thereunder are subject to an aggregate maximum joint liability of the Vendors, minimum threshold claims and a limitation period of six months for claims relating to title and 15 months for all claims relating to the other warranties.

Pursuant to the Leasehold Interest SPA, the aggregate maximum joint liability of the Vendors in respect of:

(a) the title warranties in paragraphs 4(1) and 4(2) of Schedule 1 of the Leasehold Interest SPA, shall in no event exceed the Purchase Consideration; and

(b) all and any claims under the Leasehold Interest SPA excluding claims under paragraphs 4(1) and 4(2), shall in no event exceed S$65 million.

By way of background, under the said paragraph 4(1), the Vendors essentially warrant that they are the legal and beneficial owners of the leasehold estate in respect of the Property under the State Lease and under the said paragraph 4(2), the Vendors warrant that save as disclosed, they are not aware that there is any subsisting breach of any terms or conditions by the Vendors under the State Lease.

As regards the minimum threshold for claims: no liability shall attach to the Vendors for breach of any of the warranties unless (a) the amount of any claim for breach of any of the warranties exceeds S$100,000; or (b) where the amount of any claim for breach of any of the warranties is less than S$100,000 such claim, when aggregated with other claim or claims (whether they are individually more or less than S$100,000), exceeds S$100,000.

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1 The "**Excess GFA**" means the 240.51 sq m, which is the approximate amount by which the actual GFA of the Property exceeds the GFA permitted under the State Lease.

Completion is expected to take place by 1 August 2013 or 15 business days after the Vendors deliver a notice to the REIT Trustee that the conditions precedent have been satisfied, whichever is the later.

On completion, the party or parties to whom the Consideration Stapled Securities are issued (the "**Recipient**"), will issue to the REIT Trustee a letter setting out the lock-up arrangement with the REIT Trustee in relation to the Consideration Stapled Securities. Subject to the exceptions described below, the Recipient has agreed with the REIT Trustee that it will not, without the prior written consent of the REIT Trustee (such consent not to be unreasonably withheld or delayed) during the period commencing from the Completion Date until the date falling 180 days after the Completion Date (the "**Lock-Up Period**"), directly or indirectly offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, any or all of its direct and indirect effective interest in the Consideration Stapled Securities (or any securities convertible into or exchangeable for any such Consideration Stapled Securities or part thereof or which carry rights to subscribe for or purchase any such Consideration Stapled Securities or part thereof).

The restrictions described in the preceding paragraph do not apply to:

(i) the creation of a charge over the Consideration Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Consideration Stapled Securities; or

(ii) the transfer of such Consideration Stapled Securities to and between wholly-owned subsidiaries of STC (each a "**STC Subsidiary**"), provided that the Recipient has procured that such STC Subsidiary has executed and delivered to the REIT Trustee an undertaking to the effect that it will undertake to comply with the foregoing restrictions in the above paragraph to remain in effect for the unexpired period of the Lock-Up Period.

2.10 No Stapled Securityholders' Approval Required for the Acquisition

2.10.1 Relative figures computed on the bases set out in Rule 1006 of the Listing Manual

The relative figures computed on the following bases set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual are as follows:

(i) the net profits attributable to the assets acquired compared with Far East H-Trust's net profits;

(ii) the aggregate value of the consideration given compared with Far East H-Trust's capitalisation; and

(iii) the number of Stapled Securities issued by Far East H-Trust as consideration for the Acquisition, compared with the number of Stapled Securities previously in issue.

Comparison of:	The Acquisition	Far East H-Trust	Relative Figure
Profits[1] (S$ million)	4.3[2]	38.8[3]	11.1%
Consideration against market capitalisation (S$ million)	264.3	1,823.9	14.5%
Stapled Securities issued as consideration against Stapled Securities previously in issue ('000)	61,818	1,606,944	3.8%

Notes:

(1) In the case of a REIT, NPI is a close proxy to the net profits attributable to its assets.

(2) Relates to an estimated Net Property Income of the Property from 27 August 2012 to 31 December 2012.

(3) Relates to Far East H-Trust's actual Net Property Income from 27 August 2012 to 31 December 2012.

(4) Based on the last traded price of S$1.135 per Stapled Security on the SGX-ST on 12 April 2013, being the market day preceding the date of signing of the Leasehold Interest SPA.

Far East H-REIT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate in Singapore, used primarily for hospitality and/or hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing. Accordingly, the REIT Manager is of the view that the Acquisition is in the ordinary course of Far East H-REIT's business as it falls within Far East H-REIT's investment policy and does not change its risk profile. As such, the Acquisition is not subject to Chapter 10 of the Listing Manual.

2.10.2 Interests of Directors and Substantial Stapled Securityholders

Based on the Register of Directors' Stapled Securityholdings maintained by the Managers and save as disclosed below, none of the Directors currently holds a direct or deemed interest in the Stapled Securities as at the Latest Practicable Date:

Name of Director	Direct Interest: No. of Stapled Securities held	Direct Interest: %	Deemed Interest: No. of Stapled Securities held	Deemed Interest: %	Total No. of Stapled Securities held	%
Mr Koh Boon Hwee	500,000	0.03	–	–	500,000	0.03
Mr Wee Kheng Jin	500,000	0.03	–	–	500,000	0.03
Mr Chia Boon Kuah	500,000	0.03	–	–	500,000	0.03
Mr Huang Cheng Eng	500,000	0.03	–	–	500,000	0.03
Mr Willie Cheng Jue Hiang	–	–	500,000	0.03	500,000	0.03
Mr Kyle Lee	500,000	0.03	–	–	500,000	0.03

Based on the Register of Substantial Securityholders' Stapled Securityholdings maintained by the Managers, the Substantial Securityholders and their interests in the Stapled Securityholdings as at the Latest Practicable Date are as follows:

	Direct Interest		**Deemed Interest**			
Name of Substantial Stapled Securityholder	**No. of Stapled Securities held**	**%**	**No. of Stapled Securities held**	**%**	**Total No. of Stapled Securities held**	**%**
Golden Development Pte Ltd[1]	223,917,000	13.92	154,481,000	9.60	378,398,000	23.52
Far East Organization Centre Pte Ltd[2]	182,307,000	11.33	4,380,939	0.27	186,687,939	11.60
Oxley Hill Properties Pte Ltd	154,481,000	9.60	–	–	154,481,000	9.60
Estate of the late Mr Ng Teng Fong[3]	–	–	565,085,939	35.13	565,085,939	35.13
Golden Landmark Pte Ltd	191,806,000	11.92	–	–	191,806,000	11.92
Riverland Pte Ltd	80,294,000	5.00	–	–	80,294,000	5.00
Victory Realty Pte Ltd[4]	–	–	80,294,000	5.00	80,294,000	5.00
F.E. Holdings Pte Ltd[5]	–	–	272,100,000	16.91	272,100,000	16.91
Mdm Tan Kim Choo[6]	–	–	276,480,939	17.19	276,480,939	17.19
Mr Philip Ng Chee Tat[7]	–	–	272,100,000	16.91	272,100,000	16.91
APG Algemene Pensioen Groep N.V.[8]	–	–	94,263,000	5.86	94,263,000	5.86
Aberdeen Asset Management Asia Limited[9]	–	–	97,352,000	6.05	97,352,000	6.05
Aberdeen Asset Management PLC[10]	–	–	97,352,000	6.05	97,352,000	6.05

Notes:

(1) Golden Development Pte Ltd is deemed to be interested in the Stapled Securities held by Oxley Hill Properties Pte Ltd.

(2) Far East Organization Centre Pte Ltd is deemed to be interested in the Stapled Securities held by FEO Hospitality Asset Management Pte Ltd.

(3) The Estate of the late Mr Ng Teng Fong is deemed to be interested in the Stapled Securities held by Golden Development Pte Ltd, Far East Organization Centre Pte Ltd and Oxley Hill Properties Pte Ltd.

(4) Victory Realty Pte Ltd is deemed to be interested in the Stapled Securities held by Riverland Pte Ltd.

(5) F.E. Holdings Pte Ltd is deemed to be interested in the Stapled Securities held by Golden Landmark Pte Ltd and Riverland Pte Ltd.

(6) Mdm Tan Kim Choo is deemed to be interested in the Stapled Securities held by Golden Landmark Pte Ltd, Riverland Pte Ltd and FEO Hospitality Asset Management Pte Ltd.

(7) Mr Philip Ng is deemed to be interested in the Stapled Securities held by Golden Landmark Pte Ltd and Riverland Pte Ltd.

(8) The deemed interest of APG Algemene Pensioen Groep N.A. is held through DBS Nominees Pte Ltd.

(9) Aberdeen Asset Management Asia Limited ("**AAMAL**") acts as an investment manager for various clients/funds and has the power to exercise, or control the exercise of, a right to vote attached to the Stapled Securities and has the power to dispose of, or control the disposal of, the Stapled Securities. The registered holder of the Stapled Securities is the client's or fund's custodian.

(10) Aberdeen Asset Management PLC is deemed to be interested in the Stapled Securities held by AAMAL as AAMAL is a wholly owned subsidiary of Aberdeen Asset Management PLC.

Saved as disclosed above and based on information available to the Managers as at the Latest Practicable Date, none of the Directors or the Controlling Stapled Securityholders has an interest, direct or indirect, in the Acquisition.

2.10.3 Directors' Service Contracts

No person is proposed to be appointed as a director of the Managers in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition.

3. THE PROPOSED MASTER LEASE OF RENDEZVOUS GRAND HOTEL SINGAPORE AS AN INTERESTED PERSON TRANSACTION

3.1 Certain Principal Terms of the Master Lease Agreement

The REIT Trustee proposes to grant the Master Lease of the Hotel to the Master Lessee immediately upon the completion of the Acquisition.

3.1.1 Term of the Master Lease

The initial term of the Master Lease is for 20 years, commencing from the Completion Date, with an option for the Master Lessee to obtain a lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew.

3.1.2 Rental Payment

The Master Lessee is required to pay rent on a monthly basis in arrears on the 24th day of the following month, which rent shall comprise:

(i) a Fixed Rent of S$6.5 million per annum; and

(ii) a Variable Rent computed based on the sum of 33.0% of the Hotel's Gross Operating Revenue and 25.0% of the Hotel's Gross Operating Profit for that fiscal year, less the Fixed Rent for the relevant fiscal year, and if the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

The quantum of the Variable Rent will be adjusted at the end of each fiscal year based on the audited profit and loss statement of the Hotel for such fiscal year.

If the Hotel is damaged or destroyed, the Master Lessee is not liable to pay rent for the period that the Hotel cannot be used. If part of the Hotel is still useable, the Master Lessee's liability to pay rent is adjusted such that:

(i) if the total reinstatement costs exceed 25.0% of the purchase price of the Hotel, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will pay a reduced rent equivalent to the sum of (a) the fixed percentages of the Hotel's Gross Operating Revenue and the Hotel's Gross Operating Profit applicable to the computation of the Variable Rent for such period, less an amount equivalent to half the Fixed Rent for such period and (b) an amount equivalent to half the Fixed Rent for such period; and

(ii) if the total reinstatement costs do not exceed 25.0% of the purchase price of the Hotel, in respect of the period from the date such damage occurred until the date of completion of restoration and reinstatement, the Master Lessee will continue to pay the rent for such period, without any abatement of the Fixed Rent amount.

3.1.3 Master Lessee's Obligations

(i) **Security Deposit**

The Master Lessee will provide a security deposit, by way of cash or bank guarantee, of an amount equivalent to six months of the monthly Fixed Rent. The Master Lessee may provide a corporate guarantee in lieu of payment of the security deposit in cash or the provision of the bank guarantee.

(ii) **FF&E**

The FF&E which is located in the Hotel at the commencement date of the Master Lease Agreement and the FF&E acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will be the property of the Master Lessee, subject to the condition that the title to the FF&E items which are owned by the Master Lessee and still in use shall, at the option of the master lessor of the Hotel (which is the REIT Trustee) (the "**Master Lessor**"), be transferred to the Master Lessor at the end or earlier termination of the Master Lease for S$1.00.

For each fiscal year, the Master Lessee is required to set aside in the FF&E reserve an amount equivalent to a specified percentage of the Hotel's revenue for such fiscal year to be utilised in accordance with an annual FF&E plan approved by the Master Lessor. Any unutilised balance in the FF&E reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required contribution to the FF&E reserve in the next fiscal year. Where the total expenditure by the Master Lessee in any fiscal year is in excess of the unutilised balance in the FF&E reserve, the excess shall be carried forward and debited against the contribution to the FF&E reserve in the next fiscal year. Any unutilised amounts standing to the credit of the FF&E reserve at the end of the Master Lease Agreement shall be paid in cash by the Master Lessee to the Master Lessor.

(iii) **Annual Budget**

The Master Lessee must submit to the Master Lessor for review and approval by no later than 15th November of the preceding fiscal year, an annual budget for that fiscal year which includes, inter alia, a proposed capital budget for capital improvements. In respect of such proposed capital budget, the Master Lessor is not obliged to undertake any expenditure for capital improvements unless such capital improvements are (a) approved in writing by the REIT Manager, or (b) required to comply with any directive, order or requirement of any relevant government authorities or (c) required to meet safety or health requirements relating to the Hotel or (d) required in certain emergency cases.

(iv) **Maintenance of the Hotel and the FF&E**

The Master Lessee must, at its cost, repair and maintain the Hotel, its infrastructure, plant and equipment in good and substantial condition and repair and in working order required for the operation of the Hotel but the Master Lessee is not responsible for works which are in the nature of capital improvements. The Master Lessee must, at its cost, repair and replace all FF&E and operating equipment required for the operations of the Hotel.

(v) **Licences and Permits**

All necessary licences and permits must be obtained and maintained by the Master Lessee at its cost.

(vi) **Insurance**

The Master Lessee must, at its cost, take out and maintain public liability insurance policy, insurance relating to workers' compensation and contract works insurance in respect of any works undertaken or carried out by the Master Lessee. The Master Lessor will take out and maintain, at its cost, a property insurance insuring the Hotel, the infrastructure, plant and equipment and the contents of the Hotel, and business interruption policy for the respective rights and interests of the Master Lessor as lessor, and the Master Lessee as lessee. The Master Lessee is required to pay the insurance premium in respect of the business interruption policy attributable to the insurance coverage for the Master Lessee's interests.

3.2 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where the REIT Trustee proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of Far East H-REIT's latest audited net tangible assets ("**NTA**"), Stapled Securityholders' approval is required in respect of the transaction.

Based on the audited financial statements for Far East H-REIT in respect of the period from 1 August 2012 (date of constitution) to 31 December 2012 (the "**FY2012 Audited Financial Statements**"), the NTA of Far East H-REIT was approximately S$1,552.9 million as at 31 December 2012. Accordingly, if the value of a transaction which is proposed to be entered into by the REIT Trustee during the financial year ending 31 December 2013 ("**FY2013**") with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during FY2013, equal to or in excess of approximately S$77.6 million, such a transaction would also be subject to approval from Stapled Securityholders.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Stapled Securityholders' approval for an Interested Party Transaction by the REIT Trustee whose value exceeds 5.0% of Far East H-REIT's latest audited net asset value ("**NAV**"). Based on the FY2012 Audited Financial Statements, the NAV of Far East H-REIT was approximately S$1,552.9 million as at 31 December 2012. Accordingly, if the value of a transaction which is proposed to be entered into by the REIT Trustee with an interested party during FY2013 is equal to or greater than approximately S$77.6 million, such a transaction would also be subject to approval from Stapled Securityholders.

Under the Master Lease Agreement, the Master Lessee will pay a Fixed Rent of S$6.5 million per annum for a fixed initial term of 20 years plus an extended term of 20 years, which is equivalent to an aggregate amount of S$260.0 million (being respectively approximately 16.7% of Far East H-REIT's NTA and approximately 16.7% of Far East H-REIT's NAV as at 31 December 2012). The Master Lessee is also required to pay a Variable Rent based on the formula as set out in the Master Lease Agreement.

In relation to the Shared Services, the REIT Trustee will pay to the Master Lessee monthly, a fee equivalent to the share of the costs of the applicable services provided to and attributable to the Excluded Commercial Premises based on an agreed proportion of the total costs and expenses incurred, such proportion to be computed based on the proportion which the NFA of the Excluded Commercial Premises bears to the NFA of the entire Property (or such other basis as the REIT Trustee and the Master Lessee may mutually agree).

In relation to the Shared Electricity Services, the REIT Trustee will pay to the Master Lessee for electricity supplied to part(s) of the Excluded Commercial Premises as follows:

(i) in respect of such part(s) of the Excluded Commercial Premises, for which electricity supplied can be separately monitored (e.g. through sub-meters or other means), for usage based on the actual amount of electricity supplied to such part(s), and at the published rate of regulated electricity tariff applicable from time to time, to non-contestable consumers; and

(ii) in respect of such part(s) of the Excluded Commercial Premises for which electricity supplied cannot be separately monitored, on a tiered fixed rate, based on the NFA of such part(s). These rates will be adjusted from time to time, in line with market rates,

or such other bases as may be agreed between the Master Lessee and the REIT Trustee.

The value of the Master Lease Agreement exceeds the respective thresholds under the Listing Manual and the Property Funds Appendix and would therefore be subject to Stapled Securityholders' approval.

As at the Latest Practicable Date, the FEO Group holds an aggregate indirect interest in 837,185,939 Stapled Securities, which is equivalent to approximately 52.0% of the Stapled Securities then in issue, and is therefore regarded as a "controlling unitholder" of Far East H-REIT under both the Listing Manual and the Property Funds Appendix and a "controlling unitholder" of Far East H-BT under the Listing Manual. In addition, as the Managers are members[1] of the FEO Group, the FEO Group is therefore regarded as a "controlling shareholder" of the REIT Manager under both the Listing Manual and the Property Funds Appendix and a "controlling shareholder" of the Trustee-Manager under the Listing Manual.

As the Master Lessee is a member of the FEO Group, for the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, the Master Lessee (being a subsidiary of a "controlling unitholder" of Far East H-REIT and Far East H-BT and a subsidiary of a "controlling shareholder" of the Managers) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Far East H-REIT.

1 The Managers are each 67.0% owned by FEO Asset Management Pte Ltd, which is a wholly-owned subsidiary of FEOC and 33.0% owned by FEOrchard. FEOrchard is 59.01% owned by FEOPL as of the Latest Practicable Date. FEOC, FEOPL and FEOrchard are all members of the FEO Group.

Therefore, the Master Lease will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual as well as an Interested Party Transaction under the Property Funds Appendix, in respect of which Stapled Securityholders' approval is required.

3.3 Existing Interested Person Transactions

Except for those transactions which have been specifically approved by Stapled Securityholders upon purchase of the Stapled Securities during the initial public offering and listing of Far East H-Trust[1], both the REIT Trustee and the Managers have not entered into any Interested Person Transaction with any of the FEO Group, its subsidiaries and associates during the course of the current financial year.

3.4 The Independent Financial Adviser's Opinion on the Proposed Master Lease

The REIT Manager has appointed PrimePartners Corporate Finance Pte. Ltd. (the "**IFA**") to advise the independent directors of the REIT Manager (the "**Independent Directors**") and the audit committee of the REIT Manager (the "**Audit Committee**")[2] as to whether the entry into the Master Lease Agreement by the REIT Trustee, the REIT Manager and Serene Land Pte Ltd are based on normal commercial terms and are not prejudicial to the interests of Far East H-Trust and the minority Stapled Securityholders. A copy of the letter from the IFA to the Independent Directors and the Audit Committee (the "**IFA Letter**"), containing its advice in full in relation to the Master Lease Agreement, is set out in Appendix A of this Circular and Stapled Securityholders are advised to read the IFA Letter in its entirety carefully.

Based on the considerations set out in the IFA Letter in Appendix A of this Circular and subject to the qualifications and assumptions therein, the IFA is of the opinion that as of the date of the IFA Letter, the Master Lease is based on normal commercial terms and is not prejudicial to the interests of Far East H-Trust and minority Stapled Securityholders in accordance with Chapter 9 of the Listing Manual.

The IFA is of the opinion that the Independent Directors can recommend that Stapled Securityholders vote in favour of the resolution in connection with the Master Lease.

4. THE PROPOSED ISSUE OF NEW STAPLED SECURITIES TO THE STRAITS TRADING COMPANY LIMITED AS PARTIAL CONSIDERATION FOR THE PROPOSED ACQUISITION

4.1 Proposed Issue of New Stapled Securities as Partial Consideration

The Managers may make partial payment for the Acquisition by way of issue of the Consideration Stapled Securities, amounting to an aggregate value of approximately S$68.0 million. The final issue price of the Consideration Stapled Securities will be

1 The REIT Trustee has entered into certain ongoing Interested Person Transactions which are exempted from Rules 905 and 906 of the Listing Manual, having been specifically approved by Stapled Securityholders upon purchase of the Stapled Securities during the initial public offering and listing of Far East H-Trust, to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Far East H-REIT.

2 The Trustee-Manager does not have an audit committee. The Monetary Authority of Singapore has granted the Trustee-Manager an exemption from compliance with section 15(1) of the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**") to the extent that section 15(1) requires an audit committee to be constituted when Far East H-BT is dormant, subject to the conditions that (a) the exemption shall only be in effect for so long as Far East H-BT is dormant, and (b) immediately upon the Trustee-Manager becoming aware that Far East H-BT will become active, the Trustee-Manager shall ensure that an audit committee in compliance with the requirements of the BTA and the Business Trust Regulations is constituted before Far East H-BT becomes active.

determined based on the volume weighted average price ("**VWAP**") for a Stapled Security for all trades on the SGX-ST for the period of 10 business days commencing from the day on which the Existing Stapled Securities[1] trade ex-distribution (the "**10-day VWAP**").

The Consideration Stapled Securities will be issued to the Vendors (or as directed in writing by the respective Vendors at their discretion, to STC or any wholly-owned subsidiary of STC).

STC is one of the oldest public listed companies in Singapore, with business interests and investments spanning the Asia Pacific region. Through its subsidiary, Malaysia Smelting Corporation Berhad, listed on Bursa Malaysia with a secondary listing on SGX-ST, STC engages in tin mining and smelting, and resource investments. STC owns properties and hotels and its property business, which includes property investments, development and management primarily in Singapore and Malaysia is driven by its subsidiary, Straits Developments Private Limited. Its hospitality division, Rendezvous Hospitality Group, manages and operates a stable of hotels in Asia Pacific under the Rendezvous brand. It also holds a significant stake in WBL Corporation Limited, a technology, automotive distribution, property development, and engineering and distribution company listed on the Main Board of the SGX-ST.

The Consideration Stapled Securities will represent approximately 3.8% of the total number of issued Stapled Securities (as at 31 December 2012) and based on the Illustrative Issue Price of S$1.10.

4.2 Distributions

Far East H-Trust's distribution policy is to make distributions to Stapled Securityholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. In the event that Stapled Securityholders' approval is obtained for the issue of the Consideration Stapled Securities and the Consideration Stapled Securities are issued on or before 30 September 2013, holders of Existing Stapled Securities ("**Existing Stapled Securityholders**") will be entitled to receive a distribution income for the period from 1 April 2013 to the day immediately prior to the date on which the New Stapled Securities are issued (the "**Advance Distribution**"). The Consideration Stapled Securities will not be entitled to the Advance Distribution. The next distribution thereafter will comprise Far East H-Trust's distributable income for the period from the day the New Stapled Securities are issued to 30 September 2013. Quarterly distributions will resume thereafter.

The actual quantum of the Advance Distribution will be announced at a later date after the management accounts of Far East H-Trust for the relevant period have been finalised.

4.3 Specific Approval from Stapled Securityholders for the Proposed Issue of Consideration Stapled Securities

Rule 805(1) of the Listing Manual states that prior approval of shareholders in general meeting must be obtained for an issue of shares unless such shares are issued under a general share issue mandate. Pursuant to Rule 805(1), the Managers are seeking the specific approval of Stapled Securityholders for the issue of the Consideration Stapled Securities to STC. The Consideration Stapled Securities will represent approximately

1 "**Existing Stapled Securities**" refers to the outstanding Stapled Securities in issue on the day immediately prior to the Issue Date.

25.7% of the Purchase Consideration. The Consideration Stapled Securities will represent approximately 3.8% of the total number of issued Stapled Securities (as at 31 December 2012) and based on the Illustrative Issue Price of S$1.10.

The Consideration Stapled Securities will, upon issue and allotment, rank *pari passu* in all respects with the existing Stapled Securities, excluding the right to any distributions which may accrue prior to the issuance of the New Stapled Securities.

5. THE PROPOSED ISSUE AND PLACEMENT OF NEW STAPLED SECURITIES TO THE FAR EAST ORGANIZATION GROUP OF COMPANIES AS AN INTERESTED PERSON TRANSACTION

5.1 Proposed Subscription by the FEO Group

As at the Latest Practicable Date, the FEO Group holds 837,185,939 Stapled Securities, which is equivalent to approximately 52.0% of the total number of Stapled Securities in issue. To enable the FEO Group to align its interests with the Stapled Securityholders, the Managers are seeking approval from Stapled Securityholders for the proposed issue of such number of Placement Stapled Securities for subscription by the FEO Group in order to raise monies to partially finance the Total Acquisition Cost. The Placement Stapled Securities will represent approximately 3.8% of the total number of issued Stapled Securities (as at 31 December 2012) and based on the Illustrative Issue Price of S$1.10.

The FEO Group will maintain their proportionate stapled securityholding, in percentage terms, at a substantially similar level immediately prior to the issue of the New Stapled Securities.

The final issue price of the Placement Stapled Securities will be determined based on 10-day VWAP.

5.2 Distributions

Far East H-Trust's distribution policy is to make distributions to Stapled Securityholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. In the event that Stapled Securityholders' approval is obtained for the issue and placement of the Placement Stapled Securities and the Placement Stapled Securities are issued on or before 30 September 2013, Existing Stapled Securityholders will be entitled to receive the Advance Distribution. The Placement Stapled Securities will not be entitled to the Advance Distribution. The next distribution thereafter will comprise Far East H-Trust's distributable income for the period from the day the New Stapled Securities are issued to 30 September 2013. Quarterly distributions will resume thereafter.

The actual quantum of the Advance Distribution will be announced at a later date after the management accounts of Far East H-Trust for the relevant period have been finalised.

5.3 Specific Approval from Stapled Securityholders for the Proposed Issue and Placement of the Placement Stapled Securities

Pursuant to Rule 805(1) of the Listing Manual, the Managers are seeking the specific approval of Stapled Securityholders for the issue of the Placement Stapled Securities to the FEO Group.

Under Rule 812(2) of the Listing Manual, the approval of Stapled Securityholders by way of Ordinary Resolution is required for the placement of the Placement Stapled Securities to the FEO Group. This is because the FEO Group is a Substantial Stapled Securityholder of Far East H-Trust and a substantial shareholder of the Managers. The FEO Group and each of its associates, including the Managers, are prohibited from voting on the resolution to permit such a placement of the Placement Stapled Securities.

As the FEO Group is a "controlling unitholder" of Far East H-Trust and a "controlling shareholder" of the Managers under the Listing Manual, a placement of the Placement Stapled Securities to the FEO Group will also constitute an Interested Person Transaction under Chapter 9 of the Listing Manual as the FEO Group would be considered as an "interested person" of Far East H-Trust. Although approximately S$67.8 million in New Stapled Securities (which are issued and placed to the FEO Group in order for the FEO Group to maintain its proportionate stapled securityholding, in percentage terms at a substantially similar level immediately prior to the issue of the New Stapled Securities) will not exceed 5.0% of the value of Far East H-REIT's latest audited NTA, the Managers are seeking Stapled Securityholders' approval for placement of the Placement Stapled Securities to the FEO Group so that the value of such Placement Stapled Securities will not be aggregated with future transactions with the FEO Group in the financial year ending 31 December 2013.

Accordingly, the Managers are seeking Stapled Securityholders' approval for the proposed issue and placement of the Placement Stapled Securities for subscription by the FEO Group.

The Placement Stapled Securities will, upon issue and allotment, rank *pari passu* in all respects with the existing Stapled Securities, excluding the right to any distributions which may accrue prior to the issuance of the New Stapled Securities.

5.4 The Independent Financial Adviser's Opinion on the Proposed Issue and Placement of the Placement Stapled Securities

The Managers have appointed the IFA to advise the Independent Directors and the Audit Committee as to whether the issue and placement of the Placement Stapled Securities are based on normal commercial terms and are not prejudicial to the interests of Far East H-Trust and the minority Stapled Securityholders. The IFA Letter, containing its advice in full in relation to the proposed issue and placement of the Placement Stapled Securities, is set out in Appendix A of this Circular and Stapled Securityholders are advised to read the IFA Letter in its entirety carefully.

Based on the considerations set out in the IFA Letter in Appendix A of this Circular and subject to the qualifications and assumptions therein, the IFA is of the opinion that as of the date of the IFA Letter, the issue and placement of the Placement Stapled Securities is based on normal commercial terms and is not prejudicial to the interests of Far East H-Trust and minority Stapled Securityholders in accordance with Chapter 9 of the Listing Manual.

The IFA is of the opinion that the Independent Directors can recommend that Stapled Securityholders vote in favour of the resolution in connection with the issue and placement of the Placement Stapled Securities.

6. RATIONALE FOR AND KEY BENEFITS OF THE (I) MASTER LEASE, (II) ISSUE OF THE CONSIDERATION STAPLED SECURITIES AND (III) ISSUE AND PLACEMENT OF THE PLACEMENT STAPLED SECURITIES

The Managers believe that the (i) Master Lease, (ii) issue of the Consideration Stapled Securities and (iii) issue and placement of the Placement Stapled Securities will bring the following key benefits to Stapled Securityholders:

6.1 Downside Protection through the Master Lease Agreement with Expected Rental Growth

The Hotel will be leased to the Master Lessee pursuant to the Master Lease Agreement. The initial term of the Master Lease Agreement is 20 years from the Completion Date, with an option for the Master Lessee to obtain a lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew. The long tenure of the Master Lease Agreement is expected to provide Far East H-REIT with a long-term stream of quality rental income. The rental payment under the Master Lease Agreement comprises the Fixed Rent and the Variable Rent. The Fixed Rent is approximately 60.8% of the total rental payment of the Hotel for the Forecast Period, compared to approximately 49.6% for the Existing Hotel Portfolio. The Fixed Rent provides downside protection to Far East H-REIT as it provides for a minimum rental payment regardless of the Master Lessee's performance. This mitigates any risk on income caused by the uncertainty and volatility of global economic conditions.

6.2 Minimised Market Risks and Costs

The Managers believe that the issue of Stapled Securities to STC and the FEO Group is an efficient funding method as opposed to fund-raising from the market. The issue of Stapled Securities to STC and the FEO Group will be based on the prevailing 10-day VWAP. A fund-raising from the market would involve greater market risks including pricing risk and completion risk. It would typically require new Stapled Securities to be issued at a discount to the market price, thereby resulting in a lower DPS yield accretion to Stapled Securityholders. Further, there is greater completion risk as subscription for new Stapled Securities would depend on market demand. In addition, Far East H-Trust will not incur equity fund-raising costs which would otherwise be incurred in a fund-raising from the market.

6.3 Alignment of Interests with the Existing Stapled Securityholders

The issue of new Stapled Securities to STC (or such other person(s) nominated by STC) and the FEO Group will align their interests with that of the other Stapled Securityholders. The issue of the Placement Stapled Securities will also allow the FEO Group to maintain its level of stapled securityholding in Far East H-Trust, and continue to be in a position to support and grow Far East H-Trust over the long-term. The FEO Group is not subject to a lock-up in respect of the Placement Stapled Securities, as the FEO Group intends to support Far East H-Trust over the long-term.

To demonstrate its alignment of interest with the existing Stapled Securityholders, STC will enter into a lock-up arrangement with the Managers in respect of the Consideration Stapled Securities, for the period commencing from the Issue Date until the date falling 180 days after the Issue Date (both dates inclusive).

7. CERTAIN FINANCIAL INFORMATION RELATING TO THE PROPOSED ACQUISITION

The pro forma financial effects of the proposed Acquisition on the DPS and NAV per Stapled Security presented below are strictly for illustrative purposes and were prepared based on the FY2012 Audited Financial Statements, taking into account the Total Acquisition Cost, the pro forma rent from the Property and certain assumptions including (but not limited to) the following:

(i) approximately 123.5 million new Stapled Securities are issued based on the Illustrative Issue Price of S$1.10;

(ii) bank borrowings of approximately S$132.2 million are drawn down to partly finance the Acquisition;

(iii) the Acquisition Fee payable in Stapled Securities to the REIT Manager, paid through the issuance of approximately 1.9 million Stapled Securities; and

(iv) 80.0% of the REIT Manager's management fee incurred in relation to the Property is paid in the form of Stapled Securities.

7.1 Pro Forma DPS of the Proposed Acquisition

The pro forma financial effects of the proposed Acquisition on the DPS for FY2012, as if Far East H-REIT had purchased the Leasehold Interest on 27 August 2012 and the Hotel had been leased out and operated by the Master Lessee through to 31 December 2012, are as follows:

	Pro Forma Effects of the Acquisition for FY2012	
	Before the Acquisition	After the Acquisition
Net Income of Far East H-REIT (S$'000)	69,539(1)	78,060(2)
Distributable Income(3) (S$'000)	33,648	36,792
No. of Stapled Securities ('000)	1,606,944(4)	1,732,688(5)
DPS (cents)	2.09	2.12

Notes:

(1) Based on the audited financial statements of Far East H-Trust for FY2012. The net income is derived before deducting income tax expenses.

(2) Includes (i) pro forma gross rental revenue from the Hotel (comprising fixed rent of S$2.3 million and variable rent of approximately S$1.6 million) and the Retail Component and (ii) deduction of additional borrowing costs, the Manager's fees, the REIT Trustee's fees, property taxes and insurance premiums payable by the REIT Trustee under the Master Lease Agreement and other trust expenses in connection with the Acquisition. The pro forma gross revenue and gross operating profit of the Property are calculated based on its performance from 27 August 2012 to 31 December 2012.

(3) The distributable income of Far East H-Trust represents the aggregate of distributions by Far East H-REIT and Far East H-BT. The distribution of Far East H-Trust for the period from 27 August 2012 to 31 December 2012 is contributed solely by Far East H-REIT as Far East H-BT was dormant during the period. Accordingly, only the income available for distribution of Far East H-REIT has been presented.

(4) Number of Stapled Securities issued and issuable as at 31 December 2012.

(5) Based on the issued and issuable Stapled Securities as at 31 December 2012 in Note (4) above, approximately 123.5 million of newly issued Stapled Securities, the Acquisition Fee payable to the REIT Manager in Stapled Securities of approximately 1.9 million Stapled Securities and management fees payable in Stapled Securities of approximately 0.3 million Stapled Securities at the Illustrative Issue Price.

7.2 Pro Forma NAV of the Proposed Acquisition

The pro forma financial effects of the proposed Acquisition on the NAV per Stapled Security as at 31 December 2012, as if the Acquisition were completed on 31 December 2012, are as follows:

	Pro Forma Effects of the Acquisition as at 31 December 2012	
	Before the Acquisition	**After the Acquisition**
NAV (S$'000)	1,552,934[(1)]	1,694,195
No. of Stapled Securities ('000)	1,606,944[(2)]	1,732,356[(3)]
NAV per Stapled Security (S$)	0.97	0.98

Notes:

(1) Based on the audited financial statements of Far East H-Trust for FY2012.

(2) Number of Stapled Securities issued and issuable as at 31 December 2012.

(3) Based on the issued and issuable Stapled Securities as at 31 December 2012 in Note (2) above, approximately 61.8 million new Stapled Securities are assumed to be issued as partial consideration for the Acquisition and an additional approximately 61.7 million new Stapled Securities are assumed to be issued as payment for the subscription by the FEO Group at the Illustrative Issue Price and approximately 1.9 million Stapled Securities as Acquisition Fee paid in the form of Stapled Securities.

7.3 Pro Forma Capitalisation of the Proposed Acquisition

The following table sets forth the pro forma capitalisation of Far East H-Trust as at 31 December 2012, as if Far East H-REIT had completed the Acquisition on 31 December 2012.

	Actual (S$ million)	**As adjusted for the Acquisition (S$ million)**
Short-term debt:		
Secured debt	–	–
Unsecured debt	–	–
Total short-term debt	–	–
Long-term debt:		
Secured debt	–	–
Unsecured debt	647.3	778.7
Total long-term debt	647.3	778.7
Total debt:	647.3	778.7
Stapled Securityholders' funds	1,552.9	1,694.2
Total Stapled Securityholders' funds	1,552.9	1,694.2
Total Capitalisation	2,200.2	2,472.9

7.4 Profit Forecast

Far East H-REIT's forecast statement of total return for the Forecast Period (the "**Profit Forecast**") has been prepared in accordance with the accounting policies adopted by Far East H-REIT and is set out in Appendix B in this Circular. The Profit Forecast must be read together with the detailed Profit Forecast as well as the accompanying assumptions in Appendix B of this Circular, and the report of the Independent Accountants (who have examined the Profit Forecast) in Appendix C of this Circular.

8. RECOMMENDATIONS

8.1 The Proposed Master Lease of Rendezvous Grand Hotel Singapore as an Interested Person Transaction

Based on the opinion of the IFA (as set out in the IFA Letter in Appendix A of this Circular) and having regard to the rationale for and key benefits of the Master Lease set out in paragraph 6 above, the Independent Directors and the Audit Committee believe that the Master Lease is based on normal commercial terms and would not be prejudicial to the interests of Far East H-Trust and the minority Stapled Securityholders.

Accordingly, the Independent Directors recommend that Stapled Securityholders vote at the EGM in favour of Resolution 1 relating to the proposed Master Lease.

8.2 The Proposed Issue of New Stapled Securities to The Straits Trading Company Limited as Partial Consideration for the Proposed Acquisition

Having regard to the rationale for the issue of the Consideration Stapled Securities as set out in paragraph 6 above, the Managers believe that the issue of Consideration Stapled Securities would be beneficial to, and is in the interests of Far East H-Trust and its minority Stapled Securityholders.

Accordingly, the Managers recommend that Stapled Securityholders vote at the EGM in favour of Resolution 2 relating to the proposed issue of the Consideration Stapled Securities.

8.3 The Proposed Issue and Placement of New Stapled Securities to the Far East Organization Group of Companies as an Interested Person Transaction

Based on the opinion of the IFA (as set out in the IFA Letter in Appendix A of this Circular) and having regard to the rationale for and key benefits of the issue and placement of the Placement Stapled Securities set out in paragraph 6 above, the Independent Directors and the Audit Committee believe that the issue and placement of the Placement Stapled Securities is based on normal commercial terms and would not be prejudicial to the interests of Far East H-Trust and the minority Stapled Securityholders.

Accordingly, the Independent Directors recommend that Stapled Securityholders vote at the EGM in favour of Resolution 3 relating to the proposed issue and placement of the Placement Stapled Securities.

9. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Friday, 31 May 2013 at 2.30 p.m. at Antica 1, Level 2, 1 Tanglin Road, Orchard Parade Hotel, Singapore 247905 for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolution in the Notice of

Extraordinary General Meeting, which is set out on page E-1 of this Circular. The purpose of this Circular is to provide Stapled Securityholders with relevant information about the resolutions.

Approval by way of an Ordinary Resolution is required in respect of each of Resolution 1 (the Master Lease), Resolution 2 (the issue of the Consideration Stapled Securities) and Resolution 3 (the issue and placement of the Placement Stapled Securities).

A Depositor shall not be regarded as a Stapled Securityholder entitled to attend the EGM and to speak and vote unless he is shown to have Stapled Securities entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 48 hours before the EGM.

10. ABSTENTIONS FROM VOTING

10.1 Relationship between the FEO Group and the Managers

As at the Latest Practicable Date, the Managers are members of the FEO Group. The FEO Group holds an aggregate indirect interest in 837,185,939 Stapled Securities, comprising approximately 52.0% of the 1,608,768,939 Stapled Securities in issue as at the Latest Practicable Date.

10.2 Abstain From Voting

Resolution 1: The Proposed Master Lease of Rendezvous Grand Hotel Singapore as an Interested Person Transaction

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM.

Given that the Hotel will be leased to Serene Land Pte Ltd, a member of the FEO Group, the FEO Group (i) will abstain, and will procure their associates to abstain from voting at the EGM on Resolution 1 and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to the resolution on the proposed Master Lease unless specific instructions as to voting are given.

As Mr Koh Boon Hwee, Mr Chia Boon Kuah and Mr Wee Kheng Jin are directors of members of the FEO Group, for the purposes of good corporate governance, they will abstain from voting on Resolution 1 in respect of the Stapled Securities held by them.

Resolution 3: The Proposed Issue and Placement of New Stapled Securities to the Far East Organization Group of Companies as an Interested Person Transaction

Rule 812(2) of the Listing Manual prohibits the restricted placee under Rule 812(1) and each of its associates (as defined in the Listing Manual), from voting on the resolution to approve the placement to the restricted placee.

The FEO Group will abstain, and will procure their associates to abstain from voting on Resolution 3.

As Mr Koh Boon Hwee, Mr Chia Boon Kuah and Mr Wee Kheng Jin are directors of members of the FEO Group, for the purposes of good corporate governance, they will abstain from voting on Resolution 3 in respect of the Stapled Securities held by them.

11. ACTION TO BE TAKEN BY STAPLED SECURITYHOLDERS

Stapled Securityholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Stapled Securityholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Stapled Security Registrar and Stapled Security Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than Wednesday, 29 May 2013 at 2.30 p.m., being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Stapled Securityholder will not prevent him from attending and voting in person if he so wishes.

Persons who have an interest in the approval of the Resolutions must decline to accept appointment as proxies unless the Stapled Securityholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the Resolutions.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Transactions, Far East H-Trust and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading, and the Directors are satisfied that the profit forecast has been stated after due and careful enquiry. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. RESPONSIBILITY STATEMENT OF THE FINANCIAL ADVISER

To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Transactions, Far East H-Trust and its subsidiaries, and the Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading and it is satisfied that the profit forecast has been stated by the Directors after due and careful enquiry.

14. CONSENTS

Each of the IFA, the Independent Accountants and the Independent Property Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the Independent Accountants' Report on the Profit Forecast and the valuation certificates and all references thereto, in the form and context in which they are included in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers[1] at 14 Scotts Road #06-01, Far East Plaza, Singapore 228213, from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the Leasehold Interest SPA;

(ii) the Master Lease Agreement;

(iii) the Supplemental PMA;

(iv) the Independent Accountants' Report on the Profit Forecast;

(v) the IFA Letter;

(vi) the valuation certificates and the full valuation reports on the Leasehold Interest issued by the Independent Property Valuers;

(vii) the FY2012 Audited Financial Statements; and

(viii) the written consent of each of the IFA, the Independent Accountants and the Independent Property Valuers.

The REIT Trust Deed will also be available for inspection at the registered office of the Managers, for so long as Far East H-Trust is in existence.

Yours faithfully,

FEO Hospitality Asset Management Pte. Ltd.
(as manager of Far East Hospitality Real Estate Investment Trust)
FEO Hospitality Trust Management Pte. Ltd.
(as trustee-manager of Far East Hospitality Business Trust)

Gerald Lee Hwee Keong
Chief Executive Officer

1 Prior appointment with the Managers (telephone number: +65 6833 6688) will be appreciated.

IMPORTANT NOTICE

The value of Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the REIT Manager, the REIT Trustee, the Trustee-Manager or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the REIT Manager or the Trustee-Manager or any of their affiliates to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of Far East H-Trust is not necessarily indicative of the future performance of Far East H-Trust.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.

If you have sold or transferred all your Stapled Securities, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Stapled Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

10-day VWAP	:	The VWAP for a Stapled Security for all trades on the SGX-ST for the period of 10 business days commencing from the day on which the Existing Stapled Securities trade ex-distribution
Acquisition	:	The acquisition of the Leasehold Interest together with the plant and equipment by the REIT Trustee from the Vendors
Acquisition Fee	:	The acquisition fee payable to the REIT Manager for the Acquisition pursuant to the REIT Trust Deed, which amounts to approximately S$2.6 million (being 1.0% of the Purchase Consideration)
ADR	:	Average daily rate
Advance Distribution	:	The distribution income for the period from 1 April 2013 to the day immediately prior to the date on which the New Stapled Securities are issued
Audit Committee	:	The audit committee of the REIT Manager
BTA	:	The Business Trusts Act, Chapter 31A of Singapore
CAGR	:	Compound annual growth rate
CBD	:	Central business district
CDP	:	The Central Depository (Pte) Limited
Colliers	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
Completion Date	:	The date of completion of the Acquisition (1 August 2013)
Consideration Stapled Securities	:	The new Stapled Securities to be issued to the Vendors (or as directed in writing by the respective Vendors at their discretion, to STC or any wholly-owned subsidiary of STC) as partial consideration for the Acquisition
Director	:	A director of the Managers
DPS	:	Distribution per Stapled Security
EGM	:	Extraordinary general meeting
Enlarged Portfolio	:	The Existing Portfolio and the Property

Excess GFA	:	The 240.51 sq m, which is the approximate amount by which the actual GFA of the Property exceeds the GFA permitted under the State Lease
Excluded Commercial Premises	:	The Retail Component and specific commercial areas in the Hotel which are not subject to the Master Lease and in respect of which FEOrchard Nominee will provide property management services
Existing Hotel Portfolio	:	Albert Court Village Hotel, Changi Village Hotel, The Elizabeth Hotel, Landmark Village Hotel, Oasia Hotel, Orchard Parade Hotel and The Quincy Hotel
Existing Portfolio	:	Far East H-REIT's existing portfolio comprising 11 properties consisting of seven hotels and four serviced residences located in Singapore
Existing Stapled Securities	:	The outstanding Stapled Securities in issue on the day immediately prior to the Issue Date
Existing Stapled Securityholders	:	Holders of Existing Stapled Securities
F&B	:	Food and beverage
Far East H-BT	:	Far East Hospitality Business Trust
Far East H-REIT	:	Far East Hospitality Real Estate Investment Trust
Far East H-Trust	:	Far East Hospitality Trust
FEOC	:	Far East Organization Centre Pte. Ltd.
FEO Group	:	The Far East Organization group of companies
FEOPL	:	Far East Organisation Pte. Ltd.
FEOrchard	:	Far East Orchard Limited
FEOrchard Nominee	:	A subsidiary of FEOrchard
FF&E	:	Furniture, fixtures, furnishings and equipment
Financial Adviser	:	DBS Bank Ltd.
Fixed Rent	:	The fixed rent component of the rental payment under the Master Lease Agreement
Forecast Period	:	The forecast period from the Completion Date (1 August 2013) to 31 December 2013

FY2012	:	The financial period from 1 August 2012 (date of constitution) to 31 December 2012
FY2012 Audited Financial Statements	:	The audited financial statements of Far East H-REIT in respect of the period from 1 August 2012 (date of constitution) to 31 December 2012
FY2013	:	The financial year ending 31 December 2013
GFA	:	Gross floor area
Gross Operating Profit	:	The gross operating profit of the Hotel, comprising Gross Operating Revenue less operating expenses
Gross Operating Revenue	:	The gross operating revenue of the Hotel
Hotel	:	Rendezvous Grand Hotel Singapore
Hotel Undertaking	:	The undertaking in connection with Hotel Rendezvous Private Limited's business of owning and operating the Hotel at the Property under the name "Rendezvous Grand Hotel Singapore"
IFA	:	PrimePartners Corporate Finance Pte. Ltd., in its capacity as the Independent Financial Adviser
IFA Letter	:	The letter from the IFA to the Independent Directors and the Audit Committee containing its advice as set out in Appendix A of this Circular
Illustrative Issue Price	:	The illustrative issue price of S$1.10 at which the New Stapled Securities are issued
Independent Accountants	:	Ernst & Young LLP
Independent Directors	:	The independent directors of the REIT Manager
Independent Property Valuers	:	Colliers and JLL
Interested Party Transaction	:	Has the meaning ascribed to it in the Property Funds Appendix
Interested Person Transaction	:	Has the meaning ascribed to it in the Listing Manual
Issue Date	:	The date on which the Consideration Stapled Securities and the Placement Stapled Securities are issued
Jelco	:	Jelco Properties Pte Ltd
JLL	:	Jones Lang LaSalle Property Consultants Pte Ltd

Latest Practicable Date	:	6 May 2013, being the latest practicable date prior to the printing of this Circular
Leasehold Interest	:	The 70-year leasehold estate in the Property acquired by the REIT Trustee pursuant to the Leasehold Interest SPA
Leasehold Interest SPA	:	The conditional sale and purchase agreement entered into between the Vendors and the REIT Trustee in relation to the acquisition of the Leasehold Interest together with the plant and equipment
Listing Date	:	27 August 2012
Listing Manual	:	The Listing Manual of the SGX-ST
Lock-up Period	:	The period commencing from the Completion Date until the date falling 180 days after the Completion Date
Managers	:	The REIT Manager and the Trustee-Manager
Master Lease	:	The master lease of the Hotel to the Master Lessee under the terms and conditions of the Master Lease Agreement
Master Lease Agreement	:	The master lease agreement to be entered into between the REIT Trustee, the REIT Manager and Serene Land Pte Ltd in relation to the lease of the Hotel (which excludes any premises forming part of the Excluded Commercial Premises) immediately upon the completion of the Acquisition
Master Lessee	:	Serene Land Pte Ltd
Master Lessor	:	The master lessor of the Hotel, which is the REIT Trustee
MICE	:	Meetings, incentives, conventions and exhibitions
MRT	:	Mass rapid transit
NAV	:	Net asset value
Net Property Income or NPI	:	Gross revenue less property expenses
New Stapled Securities	:	The Consideration Stapled Securities and the Placement Stapled Securities
NFA	:	Net floor area
NTA	:	Net tangible assets

Ordinary Resolution	:	A resolution proposed and passed as such by a majority of votes being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of a meeting of holders of units in Far East H-REIT, or as the case may be, units in Far East H-BT, duly convened and held
Placement Stapled Securities	:	The new Stapled Securities to be issued to the FEO Group
Profit Forecast	:	Far East H-Trust's portfolio forecast consolidated statement of total return and distribution statement for the Forecast Period
Property	:	The property located at 9 Bras Basah Road, Singapore 189559, comprising Rendezvous Grand Hotel Singapore and Rendezvous Gallery
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes
Property Management Agreement	:	The property management agreement entered into between the REIT Trustee, the REIT Manager and Jelco on 2 August 2012, pursuant to which Jelco provides property management services to specific commercial areas in Far East H-REIT's existing properties
Prospectus	:	Far East H-Trust's prospectus dated 16 August 2012
Purchase Consideration	:	The purchase consideration payable to the Vendors under the Leasehold Interest SPA, which amounts to S$264.3 million
Recipient	:	The party or parties to whom the Consideration Stapled Securities are issued
REIT	:	Real estate investment trust
REIT Manager	:	FEO Hospitality Asset Management Pte. Ltd., in its capacity as manager of Far East H-REIT
REIT Trust Deed	:	The trust deed dated 1 August 2012 (as amended) constituting Far East H-REIT
REIT Trustee	:	DBS Trustee Limited, in its capacity as trustee of Far East H-REIT
Retail Component	:	Rendezvous Gallery
Reversionary Interest	:	The reversionary interest for the remaining leasehold period in the Property
Reversionary Interest and Hotel Undertaking Transaction	:	The acquisition of the Hotel Undertaking and the Reversionary Interest by Serene Land Pte Ltd from the Vendors

RevPAR	:	Revenue per available room
SGX-ST	:	Singapore Exchange Securities Trading Limited
Shared Electricity Services	:	The Master Lessee procuring and purchasing on behalf and as agent of the REIT Trustee, electricity for the Excluded Commercial Premises (excluding any portion thereof for which utilities are (a) measured under sub-meter(s) and (b) invoiced by the supplier directly to the occupier(s) of such part(s) of the premises)
Shared Services	:	Certain services for the Excluded Commercial Premises as procured by the Master Lessee in consideration of payment by the REIT Trustee of a fee, which may include grounds maintenance, fire alarm system maintenance, lifts and elevators maintenance, landscape maintenance, waste disposal services, sewerage maintenance, chiller plant maintenance, air-conditioner maintenance and other services
SLA	:	Singapore Land Authority
Stapled Securities	:	The stapled securities in Far East H-Trust
Stapled Securityholder	:	A holder of Stapled Security
State Lease	:	The State Lease No. 20439 relating to the Property for a leasehold estate of 99 years commencing from 30 March 1994, as supplemented by the Indenture of Supplemental Lease dated 5 November 2012 between the President of Republic of Singapore and his successors-in-office of the one part and the Vendors of the other part
STB	:	Singapore Tourism Board
STC	:	The Straits Trading Company Limited
STC Subsidiary	:	A wholly-owned subsidiary of STC
Substantial Stapled Securityholder	:	A person with an interest in Stapled Securities constituting not less than 5.0% of the total number of Stapled Securities in issue
Supplemental PMA	:	The agreement to be entered into between the REIT Trustee, the REIT Manager and FEOrchard Nominee, a subsidiary of FEOrchard, immediately upon the completion of the Acquisition, where FEOrchard Nominee will provide property management services to the Excluded Commercial Premises
Term	:	The term of the Property Management Agreement (which is 20 years from the Listing Date unless terminated earlier)

Total Acquisition Cost	:	The total cost of the Acquisition, which is approximately S$270.1 million
Transactions	:	The Master Lease, the issue of the Consideration Stapled Securities, and the issue and placement of the Placement Stapled Securities
Trustee-Manager	:	FEO Hospitality Trust Management Pte. Ltd., in its capacity as trustee-manager of Far East H-BT
URA	:	The Urban Redevelopment Authority
Variable Rent	:	The variable rent component of the rental payment under the Master Lease Agreement
Vendors	:	Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited
VWAP	:	Volume weighted average price

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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INDEPENDENT FINANCIAL ADVISER'S LETTER

**LETTER FROM PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
TO THE INDEPENDENT DIRECTORS AND THE AUDIT COMMITTEE**

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.
20 Cecil Street
#21-02 Equity Plaza
Singapore 049705

15 May 2013

To: The Independent Directors and the Audit Committee of
FEO Hospitality Asset Management Pte. Ltd.
(in its capacity as manager of Far East Hospitality Real Estate Investment Trust)
14 Scotts Road
#06-00 Far East Plaza
Singapore 228213

Dear Sirs

INDEPENDENT FINANCIAL ADVICE TO THE INDEPENDENT DIRECTORS AND AUDIT COMMITTEE OF FEO HOSPITALITY ASSET MANAGEMENT PTE. LTD. (THE "MANAGER" OR "FEO") IN RESPECT OF:

(I) THE PROPOSED MASTER LEASE OF RENDEZVOUS GRAND HOTEL SINGAPORE AS AN INTERESTED PERSON TRANSACTION ("PROPOSED MASTER LEASE"); AND

(II) THE PROPOSED ISSUE AND PLACEMENT OF NEW STAPLED SECURITIES TO THE FAR EAST ORGANIZATION GROUP OF COMPANIES (THE "FEO GROUP") AS AN INTERESTED PERSON TRANSACTION ("PROPOSED PLACEMENT").

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1. INTRODUCTION

On 15 April 2013, DBS Trustee Limited, the trustee of Far East Hospitality Real Estate Investment Trust ("**Far East H-REIT**", and the trustee of Far East H-REIT, the "**Trustee**") entered into a conditional sale and purchase agreement with Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited (both being wholly-owned subsidiaries of The Straits Trading Company Limited ("**STC**")) (collectively, the "**Vendors**"), to acquire a 70-year leasehold estate in the property at 9 Bras Basah Road, Singapore 189559 (the "**Property**", and the 70-year leasehold estate in the Property, the "**Leasehold Interest**") together with the plant and equipment (the "**Acquisition**", and the conditional sale and purchase agreement in relation to the Acquisition, the "**Leasehold Interest SPA**"). The Property comprises a hotel known as Rendezvous Grand Hotel Singapore (the "**Hotel**") and a retail component known as Rendezvous Gallery (the "**Retail Component**") (collectively known as "**Rendezvous Grand Hotel**").

The purchase consideration for the Acquisition payable to the Vendors under the Leasehold Interest SPA is S$264.3 million ("**Purchase Consideration**"). The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and supported by independent valuations.

The Manager intends to finance the Acquisition from a combination of:

(i) the issue of new Stapled Securities to the Vendors (or as directed in writing by the respective Vendors at their discretion, to STC or any wholly-owned subsidiary of STC) as partial consideration for the Acquisition (the "**Consideration Stapled Securities**") amounting to approximately S$68.0 million;

(ii) the issue of new Stapled Securities to the FEO Group (the "**Placement Stapled Securities**") amounting to approximately S$67.8 million; and

(iii) debt facilities of approximately S$132.2 million.

The Trustee will enter into a master lease agreement with Serene Land Pte. Ltd. ("**Serene Land**" or the "**Master Lessee**"), a member of the FEO Group, and the Manager, in relation to the lease of the Hotel, which excludes any premises forming part of the Retail Component and specific commercial areas in the Hotel which are not subject to the Proposed Master Lease (collectively, the "**Excluded Commercial Premises**"), immediately upon the completion of the Acquisition (the "**Master Lease Agreement**").

As at the Latest Practicable Date, the FEO Group holds an aggregate indirect interest in 837,185,939 Stapled Securities, which is equivalent to approximately 52.0% of the total number of Stapled Securities then in issue. The FEO Group is hence an "interested person" of Far East H-REIT for the purposes of the Listing Manual of the SGX-ST ("**Listing Manual**") and an "interested party" of Far East H-REIT for the purposes of Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**").

Accordingly, the Proposed Master Lease and the Proposed Placement are each deemed as an "interested person transaction" under Chapter 9 of the Listing Manual (the "**Proposed Interested Person Transactions**"). Please refer to paragraphs 3.2 and 4.1 of this letter for more details.

PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") has been appointed by the Manager to advise the independent directors of the Manager (the "**Independent Directors**") and the audit committee of the Manager (the "**Audit Committee**") on whether the Proposed Interested Person Transactions are on normal commercial terms and not prejudicial to the interests of Far East H-Trust and its minority Stapled Securityholders. This letter sets out, *inter alia*, our views and evaluation of the terms of the Proposed Interested Person Transactions and our opinion thereon, and will form part of the circular dated 15 May 2013 (the "**Circular**") and issued by Far East Hospitality Trust ("**Far East H-Trust**") providing, *inter alia*, details of the Proposed Interested Person Transactions, the statement of the Audit Committee and the recommendation of the Independent Directors.

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors and the Audit Committee on the terms of the Proposed Interested Person Transactions and to provide an opinion on whether the terms of the Proposed Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of Far East H-Trust and its minority Stapled Securityholders.

We were neither a party to the negotiations entered into by Far East H-REIT, the Manager, the Trustee, STC, the Master Lessee and the FEO Group in relation to the Proposed Interested Person Transactions nor were we involved in the deliberations leading up to the decision on the part of the directors of the Manager (the "**Directors**") to enter into the Proposed Interested Person Transactions.

Our terms of reference do not require us to evaluate or comment on the strategic or long-term merits of the Proposed Interested Person Transactions or on the future prospects of Far East H-Trust or the negotiation process by which the Proposed Interested Person Transactions are made or any other alternative methods by which the Proposed Interested Person Transactions may be made. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter.

We were also not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Interested Person Transactions. We are therefore not addressing the relative merits of the Proposed Interested Person Transactions as compared to any alternative transaction that may be available to Far East H-Trust in the future.

In the course of our evaluation of the terms of the Proposed Interested Person Transactions, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to Far East H-Trust and the FEO Group. We have also relied on information provided and representations made by the Directors and the management of the Manager (the "**Management**"). We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such reasonable enquiries and exercised our judgement on the reasonable use of such information as we deemed necessary and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated detailed supervision of the Circular) that, upon making all reasonable inquiries and to the best of their respective knowledge and belief, all facts stated and opinions expressed in the Circular (except our letter as set out in the Circular) which relate to the Proposed Interested Person Transactions and Far East H-Trust are fair and accurate and that there are no material facts the omission of which would make any statement in the Circular misleading in any material respect. The Directors collectively and individually accept responsibility accordingly. However, in respect of the letter and the information provided to us in relation thereto, the sole responsibility of the Directors has been to ensure that the facts stated with respect to Far East H-Trust, the Manager, the Acquisition and the Proposed Interested Person Transactions are, to the best of their knowledge and belief, fair and accurate in all material aspects.

For the purposes of assessing the terms of the Proposed Interested Person Transactions and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of Far East H-Trust. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of Far East H-Trust in connection with our opinion in this letter.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, investments) of Far East H-Trust or the Proposed Interested Person Transactions. We have also not relied on the independent valuation reports dated 8 March 2013 and 4 April 2013 prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd respectively in relation to the Leasehold Interest.

Our opinion as set out in this letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Stapled Securityholders should further take note of any announcements relevant to their consideration of the Proposed Interested Person Transactions which may be released by Far East H-Trust after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Stapled Securityholder. As each Stapled Securityholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Stapled Securityholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Manager has been separately advised by its own advisers in the preparation of the Circular (other than our letter as set out in the Circular). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than our letter as set out in the Circular).

Our opinion in respect of the Proposed Interested Person Transactions, as set out in paragraph 6 of this letter, should be considered in the context of the entirety of this letter and the Circular.

3. THE PROPOSED MASTER LEASE

The Trustee proposes to grant the Proposed Master Lease of the Hotel to the Master Lessee immediately upon the completion of the Acquisition.

3.1 Certain Principal Terms of the Master Lease Agreement

The initial term of the Proposed Master Lease is for 20 years, commencing from the date of completion of the Acquisition, with an option for the Master Lessee to obtain a lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew.

The Master Lessee is required to pay rent on a monthly basis in arrears on the 24th day of the following month, which rent shall comprise:

(i) a fixed rent of S$6.5 million per annum; and

(ii) a variable rent computed based on the sum of 33.0% of the Hotel's gross operating revenue and 25% of the Hotel's gross operating profit for that fiscal year, less the fixed rent for the relevant fiscal year, and if the calculation of the variable rent yields a negative figure, the variable rent will be deemed to be zero.

The quantum of the Variable Rent will be adjusted at the end of each fiscal year based on the audited profit and loss statement of the Hotel for such fiscal year.

Pursuant to the Proposed Master Lease, the Master Lessee shall also (i) procure in consideration of the payment by the Trustee of a fee, the provision of certain services for the Excluded Commercial Premises which may include grounds maintenance, fire alarm system maintenance, lifts and elevators maintenance, landscape maintenance, waste disposal services, sewerage maintenance, chiller plant maintenance, air-conditioner maintenance and other services (the "**Shared Services**") and (ii) procure and purchase on behalf and as agent to the Trustee, electricity for the Excluded Commercial Premises (excluding any portion thereof for which utilities are (a) measured under sub-meter(s) and (b) invoiced by the supplier directly to the occupier of such part(s) of the premises) (the "**Shared Electricity Services**").

Please refer to section 3.1 of the Circular for more information on the terms of the Proposed Master Lease.

3.2 The Proposed Master Lease as an Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, the FEO Group holds an aggregate indirect interest in 837,185,939 Stapled Securities, which is equivalent to approximately 52.0% of the Stapled Securities then in issue, and is therefore regarded as a "controlling unitholder" of Far East H-REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a member of the FEO Group, the FEO Group is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Master Lessee is a member of the FEO Group, for the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, the Master Lessee (being a subsidiary of a "controlling unitholder" of Far East H-REIT and a subsidiary of a "controlling shareholder of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Far East H-REIT.

Therefore, the Proposed Master Lease will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

Pursuant to the Master Lease Agreement, the Master Lessee will pay a fixed rent of S$6.5 million per annum for a fixed initial term of 20 years plus an extended term of 20 years, which is equivalent to an aggregate amount of S$260.0 million (being respectively approximately 16.7% of Far East H-REIT's net tangible assets and approximately 16.7% of Far East H-REIT's net asset value as at 31 December 2012). The Master Lessee is also required to pay a variable rent based on a formula as set out in the Master Lease Agreement.

In addition, the Trustee will pay the Master Lessee for the Shared Services and Shared Electricity Services according to the terms in the Master Lease Agreement.

The value of the Master Lease Agreement exceeds the respective thresholds under the Listing Manual and the Property Funds Appendix and would therefore be subject to Stapled Securityholders' approval.

4. THE PROPOSED PLACEMENT

To enable the FEO Group to align its interests with the Stapled Securityholders, the Manager and the trustee-manager of Far East Hospitality Business Trust ("**Far East H-BT**", and the trustee-manager of Far East H-BT, the "**Trustee-Manager**") are seeking approval from Stapled Securityholders for the proposed issue of such number of Placement Stapled Securities for subscription by the FEO Group in order to raise monies to partially finance the Acquisition. The FEO Group will maintain their proportionate stapled securityholding, in percentage terms, at a substantially similar level immediately prior to the issue of the new Stapled Securities.

The final issue price of the Placement Stapled Securities will be determined based on the volume weighted average price ("**VWAP**") for a Stapled Security for all trades on the SGX-ST for the period of 10 business days commencing from the day on which the Existing Stapled Securities trade ex-distribution. Please refer to section 4.2 of the Circular for more information on the distribution.

4.1 The Proposed Placement as an Interested Person Transaction

As the FEO Group is a "controlling unitholder" of Far East H-Trust and a "controlling shareholder" of the Manager and the Trustee-Manager under the Listing Manual, a placement of Placement Stapled Securities to the FEO Group would also constitute an interested person transaction under Chapter 9 of the Listing Manual as the FEO Group would be considered as an "interested person" of Far East H-Trust.

Although approximately S$67.8 million in new Stapled Securities (which are issued and placed to the FEO Group in order for the FEO Group to maintain its proportionate stapled securityholding, in percentage terms at a substantially similar level immediately prior to the issue of the new Stapled Securities), will not exceed 5.0% of the value of the Far East H-REIT's latest audited net tangible assets, the Manager and the Trustee-Manager are seeking Stapled Securityholders' approval for placement of the Placement Stapled Securities to the FEO Group so that the value of such Placement Stapled Securities will not be aggregated with future transactions with the FEO Group in the financial year ending 31 December 2013.

5. EVALUATION OF THE PROPOSED INTERESTED PERSON TRANSACTIONS

In our evaluation of the terms of the Proposed Interested Person Transactions, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment:

(1) Rationale for and key benefits of the Proposed Interested Person Transactions;

(2) Analysis of the impact of the Proposed Interested Person Transactions on distribution per Stapled Securities and net asset value;

(3) In respect of our evaluation of the Proposed Master Lease:

  (i) Comparison with master lease agreements of hotels under Far East H-REIT's portfolio (the "**Existing Hotel Portfolio**");

  (ii) Comparison with master leases involving hospitality assets in Singapore; and

  (iii) Other considerations relating to the Proposed Master Lease; and

(4) In respect of our evaluation of the Proposed Placement:

   (i) Historical market price performance and trading activity of the Stapled Securities;

   (ii) The Stapled Securities' price performance relative to market indices; and

   (iii) Other considerations in relation to the Proposed Placement.

The figures, underlying financial and market data used in our analysis, including securities prices and trading volumes have been extracted from Bloomberg L.P., the SGX-ST and other public filings as at the Latest Practicable Date. PPCF makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

5.1 Rationale for and key benefits of the Proposed Interested Person Transactions

The full text of the rationale for and key benefits of the Proposed Interested Person Transactions is set out in section 6 of the Circular and has been reproduced in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meaning as those defined in the Circular.

"The Manager believes that the (i) Master Lease, (ii) issue of the Consideration Stapled Securities and (iii) issue and placement of the Placement Stapled Securities will bring the following key benefits to Stapled Securityholders:

6.1 Downside Protection through the Master Lease Agreement with Expected Rental Growth

The Hotel will be leased to the Master Lessee pursuant to the Master Lease Agreement. The initial term of the Master Lease Agreement is 20 years from the Completion Date, with an option for the Master Lessee to obtain a lease for a further 20 years on the same terms and conditions, save for amendments required due to change in law and excluding any further option to renew. The long tenure of the Master Lease Agreement is expected to provide Far East H-REIT with a long-term stream of quality rental income. The rental payment under the Master Lease Agreement comprises the Fixed Rent and the Variable Rent. The Fixed Rent is approximately 60.8% of the total rental payment of the Hotel for the Forecast Period, compared to approximately 49.6% for the Existing Hotel Portfolio. The Fixed Rent provides downside protection to Far East H-REIT as it provides for a minimum rental payment regardless of the Master Lessee's performance. This mitigates any risk on income caused by the uncertainty and volatility of global economic conditions.

6.2 Minimised Market Risks and Costs

The Managers believe that the issue of Stapled Securities to STC and the FEO Group is an efficient funding method as opposed to fund-raising from the market. The issue of Stapled Securities to STC and the FEO Group will be based on the prevailing 10-day VWAP. A fund-raising from the market would involve greater market risks including pricing risk and completion risk. It would typically require new Stapled Securities to be issued at a discount to the market price, thereby resulting in a lower DPS yield accretion to Stapled Securityholders. Further, there is greater completion risk as subscription for the new Stapled Securities would depend on market demand. In addition, Far East H-Trust will not incur equity fund-raising costs which would otherwise be incurred in a fund-raising from the market.

6.3 Alignment of Interests with the Existing Stapled Securityholders

The issue of new Stapled Securities to STC (or such other person(s) nominated by STC) and the FEO Group will align their interests with that of the other Stapled Securityholders. The issue of the Placement Stapled Securities will also allow the FEO Group to maintain its level of stapled securityholding in Far East H-Trust, and continue to be in a position to support and grow Far East H-Trust over the long-term. The FEO Group is not subject to a lock-up in respect of the Placement Stapled Securities, as the FEO Group intends to support Far East H-Trust over the long-term.

To demonstrate its alignment of interest with the existing Stapled Securityholders, STC will enter into a lock-up arrangement with the Managers in respect of its Consideration Stapled Securities, for the period commencing from the Issue Date until the date falling 180 days after the Issue Date (both dates inclusive)."

5.2 Analysis of the impact of the Proposed Interested Person Transactions on distribution per Stapled Security ("DPS") and net asset value

The pro forma financial effects on the DPS of Far East H-REIT and net asset value of Far East H-Trust after the completion of the Acquisition (which includes the entry into the Master Lease Agreement and the issue of the Consideration Stapled Securities and the Proposed Placement) have been extracted from sections 7.1 and 7.2 of the Circular and are set out in italics below.

"The pro forma financial effects of the proposed Acquisition on the DPS for FY2012, as if Far East H-REIT had purchased the Leasehold Interest on 27 August 2012 and the Hotel had been leased out and operated by the Master Lessee through to 31 December 2012, are as follows:

	Pro Forma Effects of the Acquisition for FY2012	
	Before the Acquisition	***After the Acquisition***
Net Income of Far East H-REIT (S$'000)	*69,539(1)*	*78,060(2)*
Distributable Income(3) (S$'000)	*33,648*	*36,792*
No. of Stapled Securities ('000)	*1,606,944(4)*	*1,732,688(5)*
DPS (cents)	*2.09*	*2.12*

Notes:

(1) Based on the audited financial statements of Far East H-Trust for FY2012. The net income is derived before deducting income tax expenses.

(2) Includes (i) pro forma gross rental revenue from the Hotel (comprising fixed rent of S$2.3 million and variable rent of approximately S$1.6 million) and the Retail Component and (ii) deduction of additional borrowing costs, the Manager's fees, the REIT Trustee's fees, property taxes and insurance premiums payable by the REIT Trustee under the Master Lease Agreement and other trust expenses in connection with the Acquisition. The pro forma gross revenue and gross operating profit of the Property are calculated based on its performance from 27 August 2012 to 31 December 2012.

(3) The distributable income of Far East H-Trust represents the aggregate of distributions by Far East H-REIT and Far East H-BT. The distribution of Far East H-Trust for the period from 27 August 2012 to 31 December 2012 is contributed solely by Far East H-REIT as Far East H-BT was dormant during the year. Accordingly, only the income available for distribution of Far East H-REIT has been presented.

(4) Number of Stapled Securities issued and issuable as at 31 December 2012.

(5) Based on the issued and issuable Stapled Securities as at 31 December 2012 in Note (4) above, approximately 123.5 million of newly issued Stapled Securities, the Acquisition Fee payable to the REIT Manager in Stapled Securities of approximately 1.9 million Stapled Securities and management fees payable in Stapled Securities of approximately 0.3 million Stapled Securities at the Illustrative Issue Price.

The pro forma financial effects of the proposed Acquisition on the NAV per Stapled Security as at 31 December 2012, as if the Acquisition were completed on 31 December 2012, are as follows:

	Pro Forma Effects of the Acquisition as at 31 December 2012	
	Before the Acquisition	***After the Acquisition***
NAV (S$'000)	*1,552,934[(1)]*	*1,694,195*
No. of Stapled Securities ('000)	*1,606,944[(2)]*	*1,732,356[(3)]*
NAV per Stapled Security (S$)	*0.97*	*0.98*

Notes:

(1) Based on the audited financial statements of Far East H-Trust for FY2012.

(2) Number of Stapled Securities issued and issuable as at 31 December 2012.

(3) Based on the issued and issuable Stapled Securities as at 31 December 2012 in Note (2) above, approximately 61.8 million new Stapled Securities are assumed to be issued as partial consideration for the Acquisition and an additional approximately 61.7 million new Stapled Securities are assumed to be issued as payment for the subscription by the FEO Group at the Illustrative Issue Price and approximately 1.9 million Stapled Securities as Acquisition Fee paid in the form of Stapled Securities."

We note that the pro forma DPS of Far East H-REIT after the Acquisition (which includes the entry into the Master Lease Agreement and the issue of the Consideration Stapled Securities and the Proposed Placement) is expected to increase approximately from 2.09 cents to 2.12 cents. The net asset value of Far East H-Trust after the Acquisition (which includes the entry into the Master Lease Agreement and the issue of the Consideration Stapled Securities and the Proposed Placement) is also expected to increase approximately from S$0.97 to S$0.98.

5.3 Evaluation of the Proposed Master Lease

5.3.1 Comparison with master lease agreements of hotels under the Far East H-REIT's portfolio

We have compared the base property yield of Rendezvous Grand Hotel and principal terms under the Master Lease Agreement with the adjusted base property yields and principal terms under the master lease agreements of the hotels under the Existing Hotel Portfolio. A summary of the comparison is set out in Exhibit 1 below:

Exhibit 1 – Adjusted base property yield and principal terms of master lease analysis

Hotels	Lease Tenure	Renewal Option	Base Rent (S$ million)	Variable Rent (Sum of percentage of gross operating revenue and percentage of gross operating profit less the base rent)		Purchase Price (S$ million)(1)	Valuation as at 31 December 2012 (S$ million)(2)	Adjusted Base Property Yield (%)(3)
				Percentage of Gross Operating Revenue (%)	Percentage of Gross Operating Profit (%)			
Albert Court Village Hotel	Initial term of 20 years, with an option to renew for 20 years	Master Lessee	3.5	33.0	25.0	120.7	126.0	2.78%
Changi Village Hotel	Initial term of 20 years, with an option to renew for 20 years	Master Lessee	7.5	33.0	24.0	238.5	257.0	2.92%
The Elizabeth Hotel	Initial term of 20 years, with an option to renew for 20 years	Master Lessee	5.5	33.0	34.0	186.7	193.0	2.85%
Landmark Village Hotel	Initial term of 20 years, with an option to renew for 20 years	Master Lessee	7.0	33.0	29.0	218.4	227.0	3.08%
Oasia Hotel	Initial term of 20 years, with an option to renew for 20 years	Master Lessee	8.0	33.0	28.0	318.2	322.0	2.48%
Orchard Parade Hotel	Initial term of 20 years, with an option to renew for 20 years	Master Lessee	10.0	33.0	37.0	412.5	419.0	2.39%
The Quincy Hotel	Initial term of 20 years, with an option to renew for 20 years	Master Lessee	2.5	33.0	23.0	82.3	84.0	2.98%

Exhibit 1 – Adjusted base property yield and principal terms of master lease analysis

Hotels	Lease Tenure	Renewal Option	Base Rent (S$ million)	Variable Rent (Sum of percentage of gross operating revenue and percentage of gross operating profit less the base rent)		Purchase Price (S$ million)[1]	Valuation as at 31 December 2012 (S$ million)[2]	Adjusted Base Property Yield (%)[3]
				Percentage of Gross Operating Revenue (%)	Percentage of Gross Operating Profit (%)			
High			10.0	33.0	37.0	412.5	419.0	3.08%
Low			2.5	33.0	23.0	82.3	84.0	2.39%
Median			7.0	33.0	28.0	218.4	227.0	2.85%
Mean			6.3	33.0	28.6	225.3	232.6	2.78%
Rendezvous Grand Hotel	**Initial term of 20 years, with an option to renew for 20 years**	**Master Lessee**	**6.5**	**33.0**	**25.0**	**264.3**		**2.46%**[4]

Source: Extracted from the final prospectus dated 16 August 2012 and the annual report for the financial year from 1 August 2012 to 31 December 2012 of Far East H-Trust

Notes:

(1) Based on the purchase price for the relevant hotels under the Existing Hotel Portfolio when the hotels were acquired by Far East H-REIT when Far East H-Trust was listed on the Mainboard of the SGX-ST on 26 August 2012.

(2) Based on the valuation of the Existing Hotel Portfolio as at 31 December 2012 and as disclosed in Far East H-Trust's annual report for the financial year from 1 August 2012 to 31 December 2012.

(3) As the acquisitions of the Existing Hotel Portfolio were completed in August 2012, the historical purchase prices of these properties will not be a meaningful indication of the current value of the Existing Hotel Portfolio. Accordingly, the adjusted base property yield is calculated as the base rent over the valuation of the Existing Hotel Portfolio as at 31 December 2012 and as disclosed in Far East H-Trust's annual report for the financial year from 1 August 2012 to 31 December 2012.

(4) The base property yield for Rendezvous Grand Hotel is calculated as the base rent over the Purchase Consideration of the Rendezvous Grand Hotel.

Based on the above base property yields and principal terms under the respective master lease agreement, we note that:

(i) The base property yield of Rendezvous Grand Hotel of 2.46% is within the range of the adjusted base property yields of the Existing Hotel Portfolio but below the median and mean of the adjusted base property yields of the Existing Hotel Portfolio;

(ii) For the variable rent, the percentage of gross operating revenue of 33% for the Hotel is comparable to the percentage of gross operating revenue for the Existing Hotel Portfolio and the percentage of gross operating profit of 25% for the Hotel is within the range of the percentage of gross operating profit of between 23% to 37% for the Existing Hotel Portfolio; and

(iii) The respective master lease agreements for the Existing Hotel Portfolio are for a lease period of an initial term of 20 years, with an option to renew for another 20 years, at the master lessee's option. We note that the terms of the Master Lease Agreement are similar to the lease period and renewal option of the respective master lease agreements for the Existing Hotel Portfolio.

Exhibit 2 below sets out the master lessees of the Existing Hotel Portfolio.

Exhibit 2 – Master Lessees

Hotel Name	Master Lessee	Background
Albert Court Village Hotel	First Choice Properties Pte Ltd	A subsidiary of Far East Orchard Limited (a member of the FEO Group) and the vendor of Albert Court Village Hotel
Changi Village Hotel	Far East Organization Centre Pte. Ltd.	A member of the FEO Group and the vendor of Changi Village Hotel
The Elizabeth Hotel	Golden Development Private Limited	A member of the FEO Group and the vendor of The Quincy Hotel and The Elizabeth Hotel and also holds Orchard Scotts Residences, a potential pipeline property under the Sponsor Right of First Refusal
Landmark Village Hotel	Golden Landmark Pte Ltd	A subsidiary of F.E. Holdings Pte. Ltd. (a member of the FEO Group) and the vendor of Landmark Village Hotel
Oasia Hotel	Transurban Properties Pte. Ltd.	A subsidiary of Glory Realty Co. Private Ltd. (a member of the FEO Group) and the vendor of Oasia Hotel
Orchard Parade Hotel	Far East Orchard Limited	A subsidiary of Far East Organisation Pte. Ltd. (a member of the FEO Group) and the vendor of Orchard Parade Hotel
The Quincy Hotel	Golden Development Private Limited	A member of the FEO Group and the vendor of The Quincy Hotel and The Elizabeth Hotel and also holds Orchard Scotts Residences, a potential pipeline property under the Sponsor Right of First Refusal

Source: Extracted from the final prospectus of Far East H-Trust dated 16 August 2012

We note that the master lessees of the Existing Hotel Portfolio are members of the FEO Group. As disclosed in Far East H-Trust's prospectus, the Management believes that, based on their experience, expertise and knowledge of contracts, the master lease agreements in respect of the Existing Hotel Portfolio are made on normal commercial terms and are not prejudicial to the interests of Far East H-REIT and Stapled Securityholders.

5.3.2 Comparison with master lease agreements involving hospitality assets in Singapore

We have made comparison to master lease agreements entered into by CDL Hospitality Trusts ("**CDL H-Trust**") for its hotels in Singapore (the "**Comparison Properties**") to compare the base property yields and principal terms of the master lease agreements for hotels in Singapore. A summary of the comparison is set out in Exhibit 3 below:

Exhibit 3 – Adjusted base property yield and principal terms of master lease of Comparison Properties analysis

Property Name	Lease Tenure	Renewal Option	Base Rent (S$ million)[1]	Variable Rent (Sum of percentage of revenue and percentage of gross operating profit less the base rent)		Purchase Price (S$ million)	Valuation as at 31 December 2012 (S$ million)[2]	Adjusted base property yield (%)[3]
				Percentage of Revenue (%)	Percentage of Gross Operating Profit (%)			
Orchard Hotel	Initial term of 20 years, with an option to renew for another 20 years	Master Lessee	10.3	20	20	330.1	454.0	2.27
Grand Copthorne Waterfront Hotel	Initial term of 20 years, with an option to renew for another 20 years	Master Lessee	7.2	20	20	234.1	350.0	2.06
M Hotel	Initial term of 20 years, with an option to renew for another 20 years	Master Lessee	6.1	20	20	161.5	232.0	2.63
Copthorne King's Hotel	Initial term of 20 years, with an option to renew for another 20 years	Master Lessee	2.8	20	20	86.1	124.4	2.25
Studio M Hotel	Initial term of 20 years, with an option for a first extension of 20 years, an option for a second extension of 20 years and an option for a third extension of 10 years	Master Lessee	5.0	30	20	154.0	163.0	3.07

Exhibit 3 – Adjusted base property yield and principal terms of master lease of Comparison Properties analysis

Property Name	Lease Tenure	Renewal Option	Base Rent (S$ million)[1]	Variable Rent (Sum of percentage of revenue and percentage of gross operating profit less the base rent)		Purchase Price (S$ million)	Valuation as at 31 December 2012 (S$ million)[2]	Adjusted base property yield (%)[3]
				Percentage of Revenue (%)	Percentage of Gross Operating Profit (%)			
High			10.3	30	20	330.1	454.0	3.07
Low			2.8	20	20	86.1	124.4	2.06
Median			6.1	20	20	161.5	232.0	2.27
Mean			6.3	22	20	193.2	264.7	2.46
Rendezvous Grand Hotel	**Initial term of 20 years, with an option to renew for another 20 years**	**Master Lessee**	**6.5**	**33**[4]	**25**	**264.3**		**2.46**

Source: Extracted from the IPO prospectus, annual reports and circulars of CDL H-Trust

Notes:

(1) Base rent refers to fixed rent or fixed rent plus service charge, where relevant.

(2) Based on the valuation of the Comparison Properties as at 31 December 2012, as disclosed in CDL H-Trust's annual report for the financial year ended 31 December 2012.

(3) As the acquisitions of the Comparison Properties were completed between the period from 2006 to 2011, the historical purchase prices of these properties will not be a meaningful indication of the current value of the Comparison Properties for comparison purposes. Accordingly, the adjusted base property yield is calculated as the base rent over the valuation of the Comparison Properties as at 31 December 2012 and as disclosed in CDL H-Trust's annual report for the financial year ended 31 December 2012.

(4) For the variable rent, the percentage of 33% is based on the gross operating revenue of the Hotel.

Based on the above adjusted base property yields and principal terms under the respective master lease agreement, we note that:

(i) The base property yield of Rendezvous Grand Hotel of 2.46% is within the range of the adjusted base property yields of the Comparison Properties, higher than the median of the adjusted base property yields of the Comparison Properties and is comparable to the mean of the adjusted base property yields of the Comparison Properties, based on the valuation of the Comparison Properties as at 31 December 2012;

(ii) For the variable rent, the percentage of gross operating revenue of 33% for the Hotel is higher than the percentages of revenue for the Comparison Properties and the percentage of gross operating profit of 25% for the Hotel is higher than the percentages of gross operating profit for the Comparison Properties;

(iii) For the Comparison Properties, save for the master lease agreement for Studio M Hotel, which provides for an initial term of 20 years and three options to renew for another 20 years, 20 years and 10 years respectively, the other master lease agreements for the Comparison Properties are for a lease period of an initial term of 20 years, with an option to renew for another 20 years, at the master lessee's option. We note that the terms of the Master Lease Agreement are similar with the lease period and renewal option of the respective master lease agreements for the Comparable Properties, save for Studio M Hotel.

5.3.3 Other Considerations relating to the Proposed Master Lease

Benefit from the FEO Group's property management and operating expertise

Serene Land, the Master Lessee, is a member of the FEO Group. The FEO Group has, since its establishment in 1960, developed a full spectrum of real estate products in the residential, hospitality, commercial, medical and industrial sectors. The FEO Group is Singapore's largest private property developer which has a proven track record in hospitality ownership and operations and strong capabilities in enhancements initiatives to optimize returns from repositioning and redeveloping existing establishments.

Upon entering into the Master Lease Agreement with Serene Land, Rendezvous Grand Hotel will be able to benefit from the FEO Group's property management and operating expertise.

Potential upside

We note from the Management that the acquisition of Rendezvous Grand Hotel and the Proposed Master Lease will present Far East H-Trust with an attractive opportunity to leverage on the expertise of the Manager and the hotel operator to grow Rendezvous Grand Hotel's business and will provide Far East H-Trust with an additional resilient and growing income stream with significant upside potential.

Cost sharing basis for Shared Services and Shared Electricity Services

In relation to the Shared Services, we understand that the Trustee will pay to the Master Lessee monthly, a fee equivalent to the share of the costs of the applicable services provided to and attributable to the Excluded Commercial Properties based on the agreed proportion of the total costs and expenses incurred, such proportion to be computed based on the proportion which the net floor area ("**NFA**") of the Excluded Commercial Premises bears to the NFA of the entire Property (or such other basis as the Trustee and the Master Lessee may mutually agree).

In relation to the Shared Electricity Services, we understand that the Trustee will pay to the Master Lessee for electricity supplied to part(s) of the Excluded Commercial Premises as follows:

(i) in respect of such part(s) of the Excluded Commercial Premises, for which electricity supplied can be separately monitored (e.g. through sub-meters or other means), for usage based on the actual amount of electricity supplied to such part(s), and at the published rate of regulated electricity tariff applicable from time to time, to non-contestable consumers; and

(ii) in respect of such part(s) of the Excluded Commercial Premises for which electricity supplied cannot be separately monitored, on a tiered fixed rate, based on the NFA of such part(s). These rates will be adjusted from time to time, in line with market rates,

or such bases as may be agreed between the Master Lessee and the Trustee.

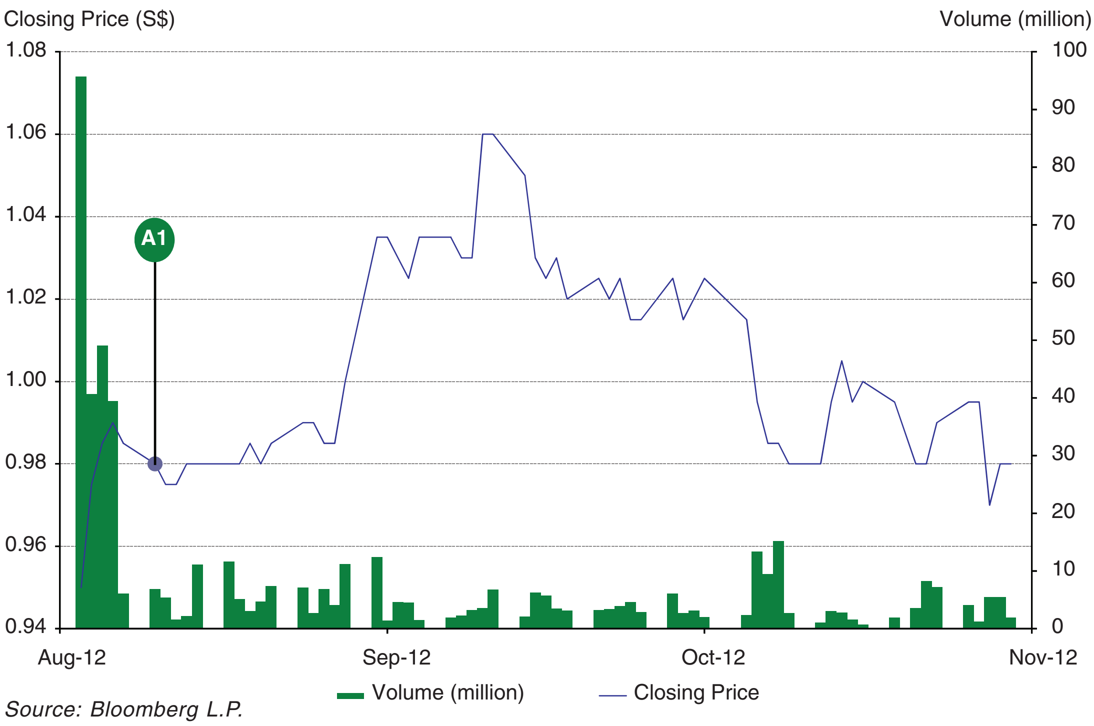
We note that the payment terms for the Shared Services and Shared Electricity Services are generally on a cost sharing basis and are similar to the terms for such services provided to the excluded commercial premises of the hotels under the Existing Hotel Portfolio (save for Oasia Hotel and The Quincy Hotel in which there were no such excluded commercial premises).

5.4 Evaluation of the Proposed Placement

5.4.1 Historical market price performance and trading activity of the Stapled Securities

We set out below in Exhibit 4 the daily closing price and daily trading volume of the Stapled Securities from the date of commencement of trading of the Stapled Securities of Far East H-Trust on 27 August 2012 ("**Listing Date**") up to and including the announcement date of the signing of the memorandum of understanding with STC ("**Announcement Date**").

Exhibit 4 – Daily closing price and daily trading volume of Stapled Securities



Source: Bloomberg L.P.

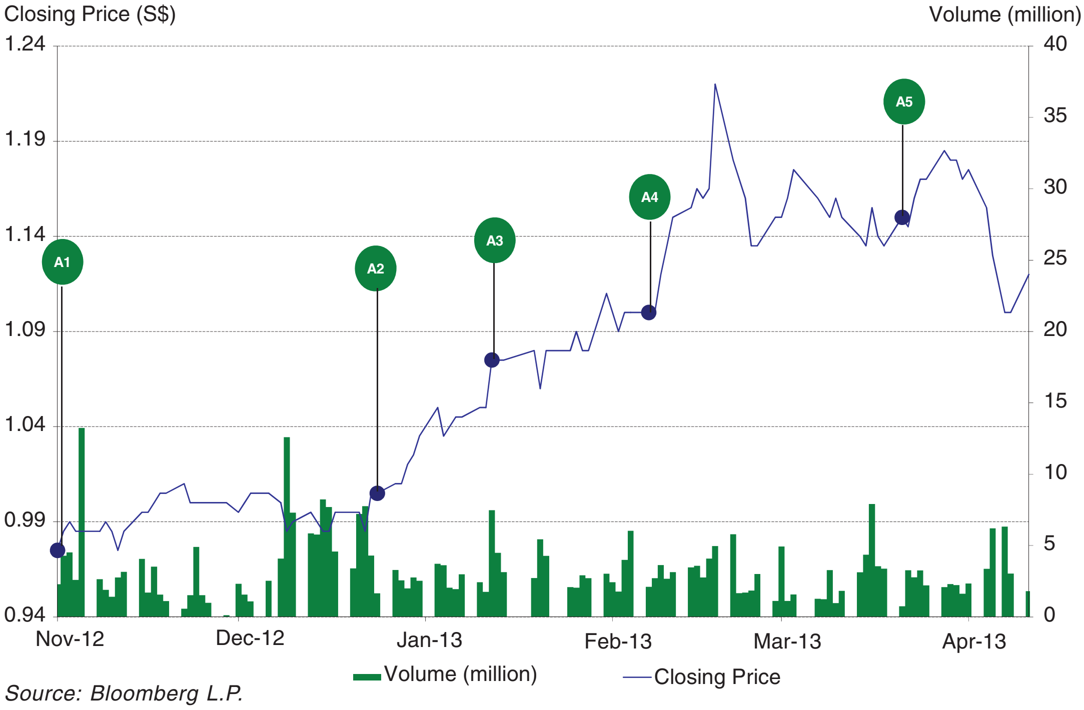
Selected Announcements:

A1: **3 September 2012.** Far East H-Trust announced that its stabilising manager, DBS Bank Ltd. has ceased price stabilisation as of 3 September 2012.

Based on Exhibit 4 above, we note that over the last three (3) months prior to the Announcement Date, the closing prices of the Stapled Securities fluctuates between the listing price of S$0.93 ("**Listing Price**") and the highest price of S$1.06 achieved on 4 October 2012. However, we note that the closing price of the Stapled Securities on 23 November 2012 (being the last trading day prior to the Announcement Date) of S$0.98 was higher than the Listing Price.

We set out below the daily closing prices and daily trading volumes of the Stapled Securities for the period after the Announcement Date up to the Latest Practicable Date.

Exhibit 5 – Daily closing price and daily trading volume of Stapled Securities from the Announcement Date up to the Latest Practicable Date



Source: Bloomberg L.P.

Selected Announcements:

A1: **26 November 2012.** The Manager and the Trustee-Manager announced that it has entered into a non-binding memorandum of understanding with STC in relation to the proposed acquisition by Far East H-REIT from STC and/or its subsidiaries of the Property.

A2: **18 January 2013.** The Manager and the Trustee-Manager announced that the unaudited financial results of Far East H-Trust for the period from the Listing Date to 31 December 2012 will be released before trading hours on Wednesday, 6 February 2013.

A3: **6 February 2013.** Far East H-Trust announced its unaudited financial results for the financial period from 1 August 2012 to 31 December 2012.

A4: **4 March 2013.** Far East H-Trust announced that it has been assigned a "BBB – Long Term Foreign and Local Currency Issuer Default Ratings with a Stable Outlook" by Fitch Ratings. With a credit rating, a real estate investment trust can increase its aggregate leverage limit to a maximum of 60% of the value of its deposited property, up from the limit of 35% in the absence of a credit rating.

A5: **15 April 2013.** The Manager and the Trustee-Manager announced, *inter alia*, that the Trustee had entered into a conditional sale and purchase agreement with Hotel Rendezvous Private Limited and Rendezvous Properties Private Limited (both being wholly-owned subsidiaries of STC) to acquire the Property and that the Trustee, the Manager and the Master Lessee will enter into the Master Lease Agreement immediately upon the completion of the Acquisition.

Based on Exhibit 5 above, we note the following:

(i) the last transacted price of the Stapled Securities on 23 November 2012 (being the last trading day prior to the Announcement Date) was S$0.98. On 27 November 2012 (being the immediate market day after the Announcement Date), the price of the Stapled Securities increased to close at S$0.985; and

(ii) between the Announcement Date and the Latest Practicable Date, the closing prices of the Stapled Securities had been on an upward trend.

5.4.2 Stapled Securities price performance relative to market indices

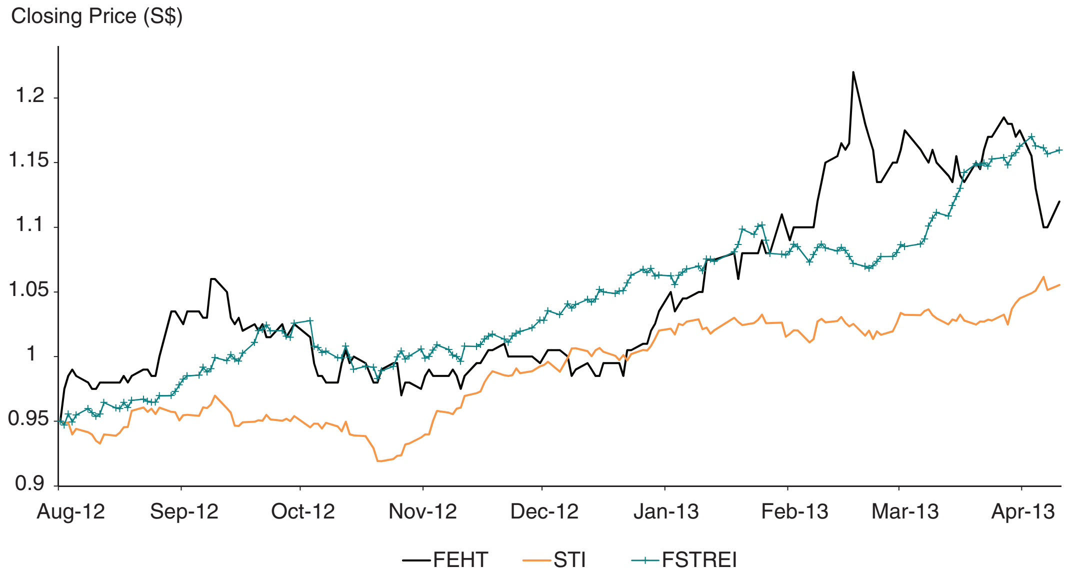
To gauge the market price performance of the Stapled Securities relative to the general share price performance of the Singapore equity market and real estate investment trusts listed on the SGX-ST, we have compared the market price movement of the Stapled Securities against the following indices:

(i) The FTSE Straits Times Index (the "**FSSTI**"), which is a market capitalisation weighted index based on stocks of 30 representative companies listed on the Mainboard of the SGX-ST; and

(ii) The FTSE ST Real Estate Investment Trusts Index (the "**FSTREI**"), which is a market capitalisation weighted index that measures the performance of real estate investment trusts listed on the Mainboard of the SGX-ST.

The market price performance of the Stapled Securities relative to the rebased FSSTI and the rebased FSTREI for the period from the Listing Date up to and including the Latest Practicable Date, is illustrated below in Exhibit 6.

Exhibit 6 – Stapled Securities price performance against the market indices (rebased)



Source: Bloomberg L.P.

We have also set out in the table below the movements in the last transacted prices of the Stapled Securities, the rebased FSSTI and the rebased FSTREI between the last trading day prior to the Announcement Date and the Latest Practicable Date:

Exhibit 7 – Stapled Securities price movement between last trading day prior to Announcement Date and Latest Practicable Date

	As at last trading day prior to Announcement Date	As at the Latest Practicable Date	Percentage change (%)
Far East H-Trust Stapled Securities (S$)	0.98	1.12	14.29%
Rebased FSSTI	0.93	1.06	13.98%
Rebased FSTREI	1.00	1.16	16.00%

Based on the above, we note the following:

(i) From the Listing Date to the Latest Practicable Date, the price of the Stapled Securities had generally moved in line with the rebased FSSTI and rebased FSTREI; and

(ii) Between the last trading day prior to the Announcement Date and the Latest Practicable Date, the Stapled Securities, which recorded an increase of approximately 14.29%, had outperformed the rebased STI, which increased by approximately 13.98% but had generally underperformed the rebased FSTREI, which increased by approximately 16.00%.

5.4.3 Other considerations in relation to the Proposed Placement

Issue price for Consideration Stapled Securities and Placement Stapled Securities

The issue price of the Placement Stapled Securities to FEO Group (an interested person of Far East H-Trust) will be determined based on the VWAP for a Stapled Security for all trades on the SGX-ST for the period of 10 business days commencing from the day on which the Existing Stapled Securities trade ex-distribution (the "**10-day VWAP**"). This is consistent with the issue price for the Consideration Stapled Securities to be issued to the independent third party, STC. The FEO Group will not be given any preferential terms for its subscription of the Placement Stapled Securities.

In addition, we note that the Management does not intend to provide any pricing discounts in respect of the 10-day VWAP for both the Consideration Stapled Securities and Placement Stapled Securities, which compares favourably given that Rule 811 of the Listing Manual allows for the issuance of shares at up to 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed.

We further note that the basis for determining the issue price of the Consideration Stapled Securities and Placement Stapled Securities is in line with the Market Price (as defined below) for the issuance of new Stapled Securities as stipulated in the stapling deed dated 1 August 2012 which staples Far East H-REIT to Far East H-BT (the "**Stapling Deed**"). The Stapling Deed was entered into by the Manager, the Trustee-Manager and the Trustee and it provides for, *inter alia*, the Manager and the Trustee-Manager to have joint exclusive right to issue Stapled Securities, in accordance with the Stapling Deed and such laws, rules and regulations as may be applicable (including the provisions of the Listing Manual), on any business day at an issue price per Stapled Security equal to:

(i) the volume weighted average price per Stapled Security (if applicable, of the same class) for all trades on the SGX-ST, or such other recognised stock exchange on which Far East H-Trust is listed, in the ordinary course of trading, for the period of 10 business days (or such period as prescribed by the SGX-ST or relevant recognised stock exchange) immediately preceding the relevant business day (the "**Market Price**"); or

(ii) where the Manager and the Trustee-Manager believe that the calculation in paragraph (i) above is not a fair reflection of the market price of a Stapled Security, such amount as determined between the Manager, the Trustee-Manager and the Trustee (after consultation with a stockbroker approved by the Trustee), as being the fair market price of a Stapled Security,

subject to certain condition precedents stipulated in the Stapling Deed.

Distributions to Stapled Securityholders

Far East H-Trust's distribution policy is to make distributions to Stapled Securityholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. In the event that Stapled Securityholders' approval is obtained for the issue and placement of the Consideration Stapled Securities and the Placement Stapled Securities and the Consideration Stapled Securities and the Placement Stapled Securities are issued on or before 30 June 2013, holders of Existing Stapled Securities will be entitled to receive a distribution income for the period from 1 April 2013 to the day immediately prior to the date on which the Consideration Stapled Securities and the Placement Stapled Securities are issued (the "**Advance Distribution**"). The Consideration Stapled Securities and the Placement Stapled Securities will not be entitled to the Advance Distribution. The next distribution thereafter will comprise Far East H-Trust's distributable income for the period from the day the Consideration Stapled Securities and the Placement Stapled Securities are issued to 30 September 2013. Quarterly distributions will resume thereafter.

We note that the Consideration Stapled Securities and the Placement Stapled Securities will not be entitled to the Advance Distribution. The Consideration Stapled Securities and the Placement Stapled Securities will only be entitled to participate in the distributable income of Far East H-Trust for the period from the day the Consideration Stapled Securities and the Placement Stapled Securities are issued to 30 September 2013 and quarterly distributions thereafter. The Consideration Stapled Securities and the Placement Stapled Securities will, upon issue and allotment, rank *pari passu* in all respects with the Existing Stapled Securities, excluding the right to any distributions which may accrue prior to the issuance of the Consideration Stapled Securities and the Placement Stapled Securities.

Maintaining majority control of Far East H-Trust

The issuance of the Consideration Stapled Securities as partial consideration to fund the Acquisition will result in a dilution in the percentage interest held by the FEO Group. This may potentially result in the stapled securityholding of the FEO Group falling below 50% of the total number of Stapled Securities then in issue. By subscribing for the Placement Stapled Securities, the FEO Group will be able to continue maintaining a majority interest in Far East H-Trust and continue to have an aligned interest in the management of the Far East H-Trust.

6. OPINION

In arriving at our opinion on the terms of the Proposed Interested Person Transactions, we have taken into account the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):

(a) the rationale for and key benefits of the Proposed Interested Person Transactions;

(b) the pro forma DPS of Far East H-REIT and net asset value of Far East H-Trust after the Acquisition (which includes the entry into the Master Lease Agreement and the issue of the Consideration Stapled Securities and the Proposed Placement) is expected to increase approximately from 2.09 cents to 2.12 cents and increase approximately from S$0.97 to S$0.98 respectively.

(c) the base property yield of Rendezvous Grand Hotel of 2.46% is within the range of the adjusted base property yields of the Existing Hotel Portfolio but below the median and mean of the adjusted base property yields of the Existing Hotel Portfolio;

(d) for the variable rent, the percentage of gross operating revenue of 33% for the Hotel is comparable to the percentage of gross operating revenue for the Existing Hotel Portfolio and the percentage of gross operating profit of 25% for the Hotel is within the range of the percentage of gross operating profit of between 23% to 37% for the Existing Hotel Portfolio;

(e) the respective master lease agreements for the Existing Hotel Portfolio are for a lease period of an initial term of 20 years, with an option to renew for another 20 years at the master lessee's option, which is similar to the terms of the Master Lease Agreement;

(f) the master lessees of the Existing Hotel Portfolio are members of the FEO Group and as disclosed in Far East H-Trust's prospectus, the Management believes that, based on their experience, expertise and knowledge of contracts, the master lease agreements made in respect of the Existing Hotel Portfolio were made on normal commercial terms and are not prejudicial to the interests of Far East H-REIT and Stapled Securityholders;

(g) the base property yield of Rendezvous Grand Hotel of 2.46% is within the range of the adjusted base property yields of the Comparison Properties, higher than the median of the adjusted base property yields of the Comparison Properties and is comparable to the mean of the adjusted base property yields of the Comparison Properties, based on the valuation of the Comparison Properties as at 31 December 2012;

(h) for the variable rent, the percentage of gross operating revenue of 33% for the Hotel is higher than the percentages of revenue for the Comparison Properties and the percentage of gross operating profit of 25% for the Hotel is higher than the percentages of gross operating profit for the Comparison Properties;

(i) for the Comparison Properties, save for the master lease agreement for Studio M Hotel, the master lease agreements for the Comparison Properties are for a lease period of an initial term of 20 years, with an option to renew for another 20 years at the master lessee's option, which are consistent with the terms of the Master Lease Agreement;

(j) Rendezvous Grand Hotel will be able to benefit from the FEO Group's property management and operating expertise;

(k) the Management believes that the Rendezvous Grand Hotel presents Far East H-Trust with an attractive opportunity to leverage on the expertise of the Manager and the hotel operator to grow Rendezvous Grand Hotel's business and will provide Far East H-Trust with an additional resilient and growing income stream with significant upside potential;

(l) the payment terms for the Shared Services and Shared Electricity Services are generally on a cost sharing basis and are similar to the terms for such services provided to the excluded commercial premises of the hotels under the Existing Hotel Portfolio (save for Oasia Hotel and The Quincy Hotel in which there were no such excluded commercial premises);

(m) over the last three (3) months prior to the Announcement Date, the closing prices of the Stapled Securities fluctuates between the Listing Price and the highest price of S$1.06 achieved on 4 October 2012, and closed at S$0.98 on 23 November 2012 (being the last trading day prior to the Announcement Date);

(n) the closing price of the Stapled Securities on 23 November 2012 (being the last trading day prior to the Announcement Date) and 27 November 2012 (being the immediate market day after the Announcement Date) was S$0.98 and S$0.985 respectively;

(o) between the Announcement Date and the Latest Practicable Date, the closing prices of the Stapled Securities had been on an upward trend;

(p) from the Listing Date to the Latest Practicable Date, the price of the Stapled Securities had generally moved in line with the rebased FSSTI and rebased FSTREI;

(q) between the last trading day prior to the Announcement Date and the Latest Practicable Date, the Stapled Securities had outperformed the rebased STI but had generally underperformed the rebased FSTREI;

(r) the issue price of the Placement Stapled Securities to FEO Group is consistent with the issue price of the Consideration Stapled Securities to be issued to the independent third party, STC. The FEO Group will not be given any preferential terms for its subscription to the Placement Stapled Securities. We note that the Management does not intend to provide any pricing discounts in respect of the 10-day VWAP for both the Consideration Stapled Securities and Placement Stapled Securities and in addition the basis for determining the issue price of the Consideration Stapled Securities and the Placement Stapled Securities is in line with the Market Price for the issuance of new Stapled Securities as stipulated in the Stapling Deed;

(s) the Consideration Stapled Securities and Placement Stapled Securities will not be entitled to the Advance Distribution and they will, upon issue and allotment, rank *pari passu* in all respects with the Existing Stapled Securities; and

(t) the FEO Group will be able to maintain majority interest in Far East H-Trust and continue to have an aligned interest in the management of the Far East H-Trust through the subscription of the Placement Stapled Securities.

Having regard to the considerations set out in this letter and summarised in this section, and the information available as at the Latest Practicable Date, we are of the opinion that the Proposed Master Lease and the Proposed Placement are on normal commercial terms and are not prejudicial to the interests of Far East H-Trust and its minority Stapled Securityholders. Accordingly, we advise the Independent Directors to recommend that Stapled Securityholders vote in favour of the Proposed Master Lease and the Proposed Placement.

This letter is addressed to the Independent Directors and the Audit Committee for their benefit, in connection with and for the purpose of their consideration of the terms of the Proposed Interested Person Transactions. The recommendation made by the Independent Directors and the Audit Committee to the minority Stapled Securityholders and their opinion in relation to the Proposed Interested Person Transactions shall remain the sole responsibility of the Independent Directors and the Audit Committee respectively.

Whilst a copy of this letter may be reproduced in the Circular, neither Far East H-Trust, the Manager nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case. This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,
For and on behalf of
PrimePartners Corporate Finance Pte. Ltd.

Mark Liew	Andrew Leo
Managing Director, Corporate Finance	Associate Director, Corporate Finance

PROFIT FORECAST

Statements contained in this section which are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasted. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Managers or any other person nor that these results will be achieved or are likely to be achieved.

The following table sets out Far East H-REIT's forecast statement of total return for the Forecast Period, which has been prepared in accordance with the accounting policies adopted by Far East H-REIT for FY2012. In the preparation of the forecast statement of total return for the Forecast Period, specific non-tax deductible items which have no impact on distributable income have been excluded in the presentation of the distributable income to Stapled Securityholders. The Profit Forecast has been examined by the Independent Accountants and should be read together with their report contained in Appendix C of this Circular as well as the assumptions and sensitivity analysis set out in Section B of this Appendix.

The forecast distribution per Stapled Security ("**DPS**") for the Existing Portfolio set out in the table below has been estimated for the period from 1 August 2013 (the "**Completion Date**") to 31 December 2013 (the "**Forecast Period**") based on the proportionate amount of the projected income available for distribution to Stapled Securityholders for 12 months ending 31 December 2013 as disclosed in the prospectus dated 16 August 2012 (the "**Prospectus**"). The assumptions made in preparing the Profit Forecast for the Existing Portfolio are set out in the Prospectus.

Existing Portfolio	
Existing Hotel Portfolio	• Albert Court Village Hotel • Changi Village Hotel • The Elizabeth Hotel • Landmark Village Hotel • Oasia Hotel • Orchard Parade Hotel • The Quincy Hotel
Existing Serviced Residence Portfolio	• Central Square Village Residences • Hougang Village Residences • Regency House • Riverside Village Residences

Note:

(1) For the Existing Portfolio, "**Excluded Commercial Premises**" comprise specific commercial areas in the Existing Portfolio (other than Oasia Hotel, The Quincy Hotel and Hougang Village Residences) which are not subject to the respective master lease agreements.

FAR EAST H-REIT'S FORECAST STATEMENT OF TOTAL RETURN

S$'000	Forecast Period (1 August 2013 to 31 December 2013)(1) The Property
Total Gross Revenue	5,672
Less: Property Expenses	(781)
Net Property Income	4,891
REIT Manager's management fee	(537)
REIT Trustee's fees	(23)
Other trust expenses	(60)
Finance costs (net)(2)	(1,267)
Net income before tax and fair value change	3,004
Fair value change in investment properties	5,807
Net income before tax and fair value change	8,811
Income tax expense	–
Net income after tax	8,811
Add/(Less): Non-tax (chargeable)/deductible items (net)(3)	(5,300)
Income available for distribution to holders of Far East H-REIT Units	3,511

Notes:

(1) The forecast total return will vary to the extent that the newly issued Stapled Securities are issued on a date other than the Completion Date and other than the assumed issue price of S$1.10 (the "**Illustrative Issue Price**").

(2) Finance costs comprise interest expense, amortisation of upfront debt financing costs and other bank charges and fees.

(3) "**Non-tax (chargeable)/deductible items**" comprise the REIT Manager's management fees paid or payable in Stapled Securities, the REIT Trustee's fees, amortisation of upfront debt financing costs, fair value change in investment properties and non-capitalised issuance costs.

S$'000	Forecast Period (1 August 2013 to 31 December 2013)(1)	
	Existing Portfolio	Enlarged Portfolio
Income available for distribution to holders of Far East H-REIT Units	**39,231**	**42,742**
Weighted average number of Stapled Securities in issue(2) ('000)	1,614,932	1,740,734
Distribution per Stapled Security (cents)	**2.43**	**2.46**

Notes:

(1) The forecast DPS will vary to the extent that the newly issued Stapled Securities are issued on a date other than the Completion Date and other than the Illustrative Issue Price.

(2) Includes the assumed payment of 80.0% of the REIT Manager's management fees incurred in relation to the Property for the relevant period in the form of Stapled Securities issued at the Illustrative Issue Price.

SECTION A: ASSUMPTIONS

The major assumptions made in preparing the Profit Forecast for the Property are set out below. The Managers consider these assumptions to be appropriate and reasonable at the date of this Circular.

Total Gross Revenue

The Total Gross Revenue comprises gross rental income from (i) the Rendezvous Grand Hotel Singapore under the Master Lease Agreement and (ii) Rendezvous Gallery. The forecast Total Gross Revenue of Rendezvous Grand Hotel Singapore and Rendezvous Gallery are set out in the table below.

	Forecast Period ($'000)
The Property	5,672
– Rendezvous Grand Hotel Singapore	4,455
– Rendezvous Gallery	1,217

Gross rental income from Rendezvous Grand Hotel Singapore under the Master Lease Agreement

Far East H-REIT will receive gross rental income under the terms of the Master Lease Agreement comprising:

(i) Fixed Rent of $6.5 million per annum; and

(ii) Variable Rent of 33.0% of Gross Operating Revenue and 25.0% of Gross Operating Profit less the Fixed Rent.

Should the calculation of the Variable Rent yield a negative figure, the Variable Rent will be deemed zero.

Gross Operating Revenue and Gross Operating Profit of Rendezvous Grand Hotel Singapore

The forecast Gross Operating Revenue and Gross Operating Profit of Rendezvous Grand Hotel Singapore are set out in the table below.

Forecast Period ($'000)	Rendezvous Grand Hotel Singapore
Room revenue	7,524
F&B revenue	1,120
Service charge	75
Other income	1,021
Gross Operating Revenue	**9,740**
Operating expenses	(4,778)
Gross Operating Profit	**4,962**

The Gross Operating Revenue and Gross Operating Profit of Rendezvous Grand Hotel Singapore are forecast based on the following assumptions.

Gross Operating Revenue of Rendezvous Grand Hotel Singapore

The Gross Operating Revenue of Rendezvous Grand Hotel Singapore consists of (i) room revenue, (ii) F&B revenue, (iii) service charge and (iv) other income.

(i) Room revenue

The forecast room revenue for the Forecast Period is based on the Rendezvous Grand Hotel Singapore's RevPAR, which is in turn driven by the Average Occupancy Rate and the ADR assumptions.

The Average Occupancy Rate, ADR and RevPAR for Rendezvous Grand Hotel Singapore assumed in the Forecast Period are as follows.

	Rendezvous Grand Hotel Singapore
Average Occupancy Rate (%)	83.0
ADR ($)	200
RevPAR ($)	166

Forecast Average Occupancy Rate and ADR are derived after taking into account the historical and current operating performance of Rendezvous Grand Hotel Singapore. Other factors considered include the prospects of the Singapore hospitality industry, competitive position of the Hotel, major conventions and events that are scheduled to take place in Singapore, historical renovations or refurbishments at the Hotel, location of the Hotel and materialisation rate of existing and potential hotel room contracts.

(ii) F&B revenue

F&B revenue for Rendezvous Grand Hotel Singapore encompasses revenue from lobby and poolside bars, catering services, banqueting sale, room service and room mini-bar sale. The percentage contribution of F&B revenue to Gross Operating Revenue for Rendezvous Grand Hotel Singapore is set out below.

	Forecast Period
Rendezvous Grand Hotel Singapore	11.5%

The forecast F&B revenue is estimated based on the historical performance of F&B sales and takes into account the expected occupancy rates, competitive position and location, as well as expected bookings for banquets, wedding dinners, corporate meetings and other corporate events.

(iii) Service charge

Service charge refers to the service charge typically levied on room revenue and F&B revenue and is forecast based on 10.0% of such forecast income.

(iv) Other income

Other income includes income from provision of telecommunication services, internet broadband services, laundry services, operation of carparks and printing and fax services by the reception counter.

Operating expenses of Rendezvous Grand Hotel Singapore

The operating expenses of Rendezvous Grand Hotel Singapore include (i) cost of sales, (ii) staff costs, (iii) shared services costs, (iv) energy and utilities as well as (v) other expenses.

(i) Cost of sales

Cost of sales relates to direct costs incurred in the provision of F&B services, telecommunication services, internet broadband services and laundry services. Cost of sales has been forecast to vary in proportion to F&B revenue and other income for the Forecast Period, taking into consideration cost efficiencies.

(ii) Staff costs

Staff costs relate to wages, salaries and related staff benefits in connection with the hiring of full-time and temporary staff to carry out day-to-day operations at the Hotel, including housekeeping services, reception services, security services, F&B, administrative, marketing, property operation and maintenance and other services.

For the Forecast Period, staff costs are estimated based on the Hotel's historical payroll costs and after adjusting for an expected increment in each year. In addition, consideration has been given to staffing requirements at the Hotel by taking into account its forecast performance (in particular, expected occupancy levels, banqueting demand and operating efficiencies).

(iii) Shared services costs

Shared services costs refer to expenses incurred for accounting, internal audit, tax, human resources, IT, central reservations and revenue management functions. For the Forecast Period, shared services costs are estimated based on the costs incurred historically, after adjusting for an expected increment each year and taking into consideration cost efficiencies.

(iv) Energy and utilities

For the Forecast Period, it has been assumed that energy and utilities costs are based on the estimated utilities costs, taking into consideration historical rates, expected rate increments and expected utilisation.

(v) Other expenses

Other hotel expenses include costs of guest supplies, repair and maintenance expenses, selling and marketing expenses, and administrative and general expenses.

Costs of guest supplies include costs of linen laundry and room consumables and have been forecast taking into consideration historical amounts incurred for the Hotel and expected occupancy levels.

Repair and maintenance expenses relate to costs incurred for the upkeep of the Hotel, including cost of materials, and supplies and contracts related to the general repair and maintenance of the Hotel, and have been forecast based on historical and expected future renovations and refurbishments at the Hotel.

Selling and marketing expenses relate to costs incurred in marketing, advertising and promoting the Hotel as well as commission to third parties, and have been forecast taking into account expected selling and marketing efforts at the Hotel.

Administrative and general expenses include turnkey fees, security services, maintenance of IT systems and other general and administrative expenses and have been forecast taking into account historical amounts incurred for the Hotel.

Commercial rental income

Far East H-REIT will receive commercial rental income from the Excluded Commercial Premises. The commercial leases primarily have remaining terms ranging from one to three years. The percentage contribution of commercial rental income to Total Gross Revenue of the Property is set out in the table below.

	Forecast Period
The Property	21.5%

In order to forecast commercial rental income, the rents payable by tenants under committed leases covering the Forecast Period have been considered. The rents payable under the F&B businesses that are internally operated and will be outsourced to third party is estimated to be based on the assessment of the market rent for each lettable area, which considers, amongst others, the location and size of each lettable area, effect of competing properties, likely market conditions, inflation levels and tenant demand levels.

Property Expenses

Property Expenses for the Property comprise: (i) property tax for Rendezvous Grand Hotel Singapore, (ii) insurance expenses and (iii) other property expenses. A summary of the assumptions which have been used in calculating the Property Expenses is set out below.

Property tax for Rendezvous Grand Hotel Singapore

Property tax is assessed on immovable property and is payable in advance in January by the landowner or the registered leaseholder. It is generally computed as a percentage of annual value of all houses, land, building and tenements. The annual value is the gross amount at which the property can be expected to be let from year to year having regard to the fact that all outgoings and maintenance are borne by the landlord.

For Rendezvous Grand Hotel Singapore, property tax is payable at 10.0% of the total annual value of the hotel property, which is assessed to be 25.0% of gross hotel room receipts for the preceding year.

Insurance expenses

Insurance expenses are incurred for certain insurance coverage, including fire insurance and physical damage for the Property, as well as rental losses from business interruption for Rendezvous Gallery. Insurance expenses are estimated to be similar to the terms of the insurance contracts in place as of 31 December 2012.

Other property expenses

Other property expenses comprise expenses incurred for the Excluded Commercial Premises such as property management fees, property tax, marketing expenses, utilities, repair and maintenance expenses, general and administrative expenses and other miscellaneous operating expenses. Other property expenses for the Forecast Period have been forecast based on historical expenses and existing service and maintenance contracts with suppliers.

REIT Manager's Management Fee

Pursuant to the REIT Trust Deed, the REIT Manager is entitled to a management fee comprising a Base Fee of 0.3% per annum of the value of the Far East H-REIT Deposited Property and a Performance Fee of 4.0% of Net Property Income.

It is assumed that 80.0% of management fees incurred in relation to the Property will be paid to the REIT Manager in the form of Stapled Securities and the balance in cash for the Forecast Period. Management fees payable in Stapled Securities are assumed to be issued at the Illustrative Issue Price.

REIT Trustee's Fees

Pursuant to the REIT Trust Deed, the REIT Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the Far East H-REIT Deposited Property, subject to a minimum of $20,000 per month, excluding out-of-pocket expenses and GST.

Other Trust Expenses

Other expenses of Far East H-Trust include one-off non-capitalised issuance costs and recurring trust expenses such as annual listing fees, registry fees, audit and tax advisory fees, valuation fees, legal fees, costs associated with the preparation of annual reports, investor communication costs and other miscellaneous costs.

Finance Costs

Finance costs comprise interest expense, amortisation of upfront debt financing costs and other bank charges and fees. The REIT Manager has put in place approximately $132.2 million of debt facilities ("**New Debt Facility**") to finance the acquisition of the Property as at the Completion Date.

The REIT Manager has assumed an effective interest rate of 2.30% per annum for the Forecast Period for the New Debt Facility.

Capital Expenditure

Certain forecast capital expenditure has been included based on the REIT Manager's budget. The budgeted capital expenditure is intended to fund asset enhancement works such as upgrading of lifts, room renovations and refurbishments, and the renovation of the façade of the Property.

It has been assumed that such capital expenditure will be funded by capital expenditure provisions and borrowings under Far East H-REIT's existing debt facilities. Capital expenditure incurred is capitalised as part of the value of the Property and has no impact on the forecast total return or distributions other than interest incurred on borrowings and increasing the value of Far East H-REIT Deposited Property for the purpose of computing the REIT Manager's management fees and the REIT Trustee's fees.

Forecast capital expenditure for the Forecast Period for the Property are set out in the table below.

	Forecast Period ($'000)
The Property	55

Properties

The REIT Manager has assumed an aggregate value of the Property as of the Completion Date of approximately $272.8 million (based on the average of two independent valuations of the Property as at 31 December 2012) adjusted for subsequent capitalised capital expenditure. The REIT Manager has assumed an increase in the value of the Property to the extent of the budgeted capital expenditure described in "Capital Expenditure" above for the Forecast Period.

Accounting Standards

The REIT Manager has assumed that there is no significant change in applicable accounting standards or other financial reporting requirements during the Forecast Period that may have a material bearing on the forecast distributable income of Far East H-REIT.

Other Assumptions

The REIT Manager has made the following additional assumptions in preparing the Profit Forecast:

(i) there will be no material change to the assumptions for the Existing Portfolio as set out in the Prospectus which could affect its distributable income;

(ii) other than the acquisition of the Property, the property portfolio remains unchanged;

(iii) there will be no material change to the respective carrying value of the Enlarged Portfolio held by Far East H-REIT;

(iv) other than for the purposes mentioned in the Circular, there will be no further capital raised during the Forecast Period;

(v) there will be no material change to the taxation legislation or other legislation;

(vi) there will be no material change to the tax ruling dated 28 May 2012 issued by the Inland Revenue Authority of Singapore on the taxation of Far East H-REIT and Stapled Securityholders and that the terms and conditions of the tax ruling are complied with;

(vii) the debt facilities are available during the periods at the same effective interest rate;

(viii) all leases are enforceable and will be performed in accordance with their terms;

(ix) there will be no pre-termination of any committed leases;

(x) 100.0% of the distributable income will be distributed for the Forecast Period; and

(xi) where derivative financial instruments are undertaken to hedge against interest rate movements, there is no change to the fair value of such instruments during the Forecast Period.

SECTION B: SENSITIVITY ANALYSIS FOR THE PROPERTY

The Profit Forecast is based on a number of key assumptions that have been outlined above.

Stapled Securityholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast in this Circular are to be expected. To assist Stapled Securityholders in assessing the impact of these assumptions on the Profit Forecast, the sensitivity of DPS to changes in the key assumptions are set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Unless otherwise stated, the sensitivity analysis has been prepared using the same assumptions as those set out above.

RevPAR

Changes in RevPAR of the Hotel will impact the net income of Far East H-REIT and, consequently, the DPS. The effects of variations in RevPAR of the Hotel on the DPS are set out below.

The Property	Forecast Period (cents)
10.0% above base case	2.48
Base case	2.46
10.0% below base case	2.43

Net Property Income

Changes in Net Property Income of the Property will impact the net income of Far East H-REIT and, consequently, the DPS. The effects of variations in the Net Property Income of the Property on DPS are set out below.

The Property	Forecast Period (cents)
5.0% above base case	2.47
Base case	2.46
5.0% below base case	2.44

Finance Costs

Changes in finance costs incurred for the Property will impact the net income of Far East H-REIT and, consequently, DPS. The effects of variations in finance costs for the Property on DPS are set out below.

The Property	Forecast Period (cents)
5.0% above base case	2.45
Base case	2.46
5.0% below base case	2.46

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INDEPENDENT ACCOUNTANTS' REPORT ON THE PROFIT FORECAST

15 May 2013

The Board of Directors
FEO Hospitality Asset Management Pte Ltd
(in its capacity as Manager of Far East Hospitality Real Estate Investment Trust)
14 Scotts Road
#06-01 Far East Plaza
Singapore 228213

The Board of Directors
FEO Hospitality Trust Management Pte Ltd
(in its capacity as Trustee-Manager of Far East Hospitality Business Trust)
14 Scotts Road
#06-01 Far East Plaza
Singapore 228213

(collectively, the "Managers")

DBS Trustee Limited
(in its capacity as Trustee of Far East Hospitality Real Estate Investment Trust)
12 Marina Boulevard
#44-01 DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs:

Letter from the Independent Accountants on the Forecast Statement of Total Return for the Period from 1 August 2013 to 31 December 2013

This letter has been prepared for inclusion in the circular dated 15 May 2013 to stapled securityholders (the "Circular") of Far East Hospitality Trust (a stapled group comprising Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust) in connection with (i) the proposed master lease of Rendezvous Grand Hotel Singapore, (ii) the proposed issue of new stapled securities to The Straits Trading Company Limited as partial consideration for the proposed acquisition of Rendezvous Grand Hotel Singapore, and (iii) the proposed issue and placement of new stapled securities to the Far East Organization group of companies.

The directors of the Managers (the "Directors") are responsible for the preparation and presentation of the Forecast Statement of Total Return for the period from 1 August 2013 to 31 December 2013 (the "Profit Forecast") as set out on page B-2 of the Circular, which have been prepared on the basis of their assumptions as set out on pages B-3 to B-8 of the Circular (the "Assumptions").

We have examined the Profit Forecast of Far East Hospitality Real Estate Investment Trust for the period from 1 August 2013 to 31 December 2013 as set out on page B-2 of the Circular in accordance with the Singapore Standard on Assurance Engagements applicable to the examination of prospective financial information and confirmed that we have reviewed the bases and assumptions, accounting policies and calculations for the Profit Forecast as set out on pages B-3 to B-8 of the Circular.

The Directors are solely responsible for the Profit Forecast including the Assumptions on which the Profit Forecast is based.

Based on our examination of the evidence supporting the Assumptions, nothing has come to our attention which causes us to believe that the Assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast, so far as the accounting policies and calculations are concerned, is:

(a) properly prepared on the basis of the Assumptions;

(b) consistent with the accounting policies normally adopted by the Managers in respect of Far East Hospitality Real Estate Investment Trust; and

(c) presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (but not all the required disclosures), which is the framework adopted by the Managers in the preparation of Far East Hospitality Real Estate Investment Trust’s financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under hypothetical assumptions described above occur, actual results are still likely to be different from the Profit Forecast since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from the Profit Forecast. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast.

Attention is drawn, in particular, to the sensitivity analysis of the Director’s Profit Forecast as set out on page B-9 of the Circular.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants
Singapore

Partner-in-charge: Nelson Chen

VALUATION CERTIFICATES

VALUATION CERTIFICATE

Address of Property	:	9 Bras Basah Road RENDEZVOUS GRAND HOTEL SINGAPORE & RENDEZVOUS GALLERY Singapore 189559
Our Reference	:	2012/237
Valuation Prepared for	:	DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust) ("Far East H-REIT"), FEO Hospitality Asset Management Pte. Ltd. (as Manager of Far East H-REIT) and FEO Hospitality Trust Management Pte. Ltd. (as Trustee-Manager of Far East Hospitality Business Trust) ("Far East H-BT")
Type of Property	:	An 11-storey hotel (298 rooms) with two basement carparks (total 81 lots) and a 3-storey conservation retail block
Brief Description	:	RENDEZVOUS GRAND HOTEL SINGAPORE is an 11-storey hotel development (total 298 guest rooms) with a 3-storey conservation retail block and 2 basements carpark (total 81 lots). The subject property is located at the north-eastern junction of Bras Basah Road and Prinsep Street, within the Civic District Boundary, and approximately 2.5 km from the City Centre. Vehicular access to the property is currently from Prinsep Street. Hotel facilities include a swimming pool with jacuzzi, gym, fitness center on the 3rd storey, function rooms/ grand ballroom on the 2nd storey, and club lounge on the 11th storey. The buildings are fully air-conditioned and equipped with modern fire protection and security system. All essential public services are connected.
Legal Description	:	Lot No 457K Town Subdivision 11
Tenure	:	99-year leasehold commencing from 30 March 1994, balance of approximately 80.2 years un-expired lease term. We are instructed to value the property based on a balance lease term of 70 years from date of acquisition.
Registered Proprietor(s)	:	Hotel Rendezvous Private Limited (87/100 shares) and Rendezvous Properties Private Limited (13/100 shares) as tenants in common in unequal shares
Site Area	:	4,695.3 sm or thereabouts

Net Floor Area of Rendezvous Gallery	:	2,295 sm (subject to final survey)
Year of Completion	:	We understand that the property was completed in mid 1990s and upgrading/ renovation works were completed in 2012.
Condition of Building	:	Good
Tenancy/ Occupancy	:	The hotel component (excluding the commercial area) will be leased to Serene Land Pte Ltd under a master lease agreement. The master lease will have an initial term of 20 years with an option exercisable by the master lessee to obtain a further term of 20 years. The annual gross rent will comprise Fixed Rent plus Variable Rent. Fixed Rent is pegged at S$6,500,000/-. Variable Rent* refers to an amount computed based on the sum of 33% of Gross Operating Revenue and 25% of Gross Operating Profit less the Fixed Rent. Property management fee and provision for furniture, fixtures, furnishings and equipment (FF&E) for the hotel will be borne by the master lessee. * *Subject to a minimum of zero*
Master Plan Zoning (2008 Edition)	:	Hotel with gross plot ratio of 4.2
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method
Capitalisation Rate	:	5.80 % (hotel); 5.50 % (retail)
Discount Rate	:	7.50 %
Terminal Cap Rate	:	6.50 % (hotel); 6.25% (retail)
Basis of Valuation	:	As-Is basis and subject to master lease arrangement
Material Date of Valuation	:	31 December 2012
		<u>Based on 70-Year Leasehold Interest</u>
Valuation	:	Market Value **S$277,000,000/-** (Singapore Dollars Two Hundred And Seventy-Seven Million Only)

Colliers International Consultancy & Valuation (Singapore) Pte Ltd

CN/GSL/k

This valuation certificate is subject to the attached Limiting Conditions.

LIMITING CONDITIONS

1. Values are reported in Singapore currency unless otherwise stated.

2. In our valuation it is presumed that the property as currently used is not in contravention of any planning or similar regulations. We shall not be responsible if it is otherwise.

3. For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.

4. No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.

5. While due care is exercised in the course of our inspection to note any serious defects, we will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible. Further, we will not be able to report that the building is free from rot, infestations or other defects. The building services will not be tested but will be presumed to be in good working order. We recommend that appropriately qualified persons be engaged to undertake investigations excluded from our scope of work.

6. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorised inclusion or publication and reserve the right to claim for any loss, liability, costs or expenses (including but not limited to professional or executive time) we may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.

7. In accordance with our usual practice, we must state that this valuation report is restricted to the client or person to whom this valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. We disclaim any liability should it be used by any other person or for any other purpose(s) or beyond a reasonable time.

8. Where it is stated in the valuation report that information has been supplied to us by another party, the information is presumed to be reliable and we do not accept any responsibility should it be proven otherwise. The study of possible alternative development options and the related economics are not within the scope of this report unless expressly stated.

9. Our opinion of the market value of the property is free from any influence and/or point of views of any other parties.

10. Any market projections incorporated within our services including but not limited to, income, expenditure, associated growth rates and other variables are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

11. No allowance will be made in our valuation report for any charges, mortgages or other claims affecting the property nor for any costs, expenses, taxation or outgoings which may be involved in any transaction of the property.

12. The title to the property is presumed to be good and marketable and, unless mentioned in this valuation report, be free from any encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title, searches and requisitions and other such legal matters.

13. Any plans included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.

14. All Location Plans are obtained from Streetdirectory.com. Whilst we do make every endeavour to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.

15. We shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed. For the avoidance of doubt, our directors and employees shall have no liability in respect of their private assets. The amount of aggregate liability of Colliers is limited to the fee for this service.

Jones Lang LaSalle Property Consultants Pte Ltd
9 Raffles Place #39-00 Republic Plaza Singapore 048619
tel +65 6536 0606 fax +65 6533 2107

Company Reg No. 198004794D
CEA Licence No. L3007326E

As Client:

DBS Trustee Limited
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12 Marina Boulevard Level 44
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

Copy to:

FEO Hospitality Asset Management Pte. Ltd.
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14 Scotts Road
#06-01 Far East Plaza
Singapore 228213

FEO Hospitality Trust Management Pte. Ltd.
(as Trustee-Manager of Far East Hospitality Business Trust)
14 Scotts Road
#06-01 Far East Plaza
Singapore 228213

4 April 2013

Dear Sirs,

VALUATION SUMMARY
RENDEZVOUS GRAND HOTEL SINGAPORE AND RENDEZVOUS GALLERY SINGAPORE

We are pleased to submit to you our Valuation Summary in respect of the Rendezvous Grand Hotel Singapore and Rendezvous Gallery Singapore (the "Property").

1. Client Brief and Purpose of Valuation

This summary report is prepared in accordance with our agreed instructions received from DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust) (the "REIT Trustee") (the "Client") to undertake a valuation of the Rendezvous Grand Hotel Singapore and Rendezvous Gallery Singapore (the "Property"). This valuation and summary report is addressed to DBS Trustee Limited, FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd. (together the "Addressees"). Our instructions were confirmed by way of signed acceptance by the Client of our proposal dated 16 January 2013, received on 17 January 2013.

We understand that a 70-year leasehold interest in the Property will be acquired by Far East Hospitality Real Estate Investment Trust ("H-REIT"), who will in turn grant a master lease (the "Master Lease") to a related entity lessee, Serene Land Pte Ltd, a member of the Far East Organization group of companies.

We have been instructed to provide the Client with our opinion of the Market Value of the proposed 70-year leasehold interest in the Property subject to the proposed Master Lease as at 31 December 2012 for inclusion in the circular to the stapled securityholders of Far East Hospitality Trust (the "Circular").

We have prepared a comprehensive valuation report on the Property in accordance with the instructions of the Client. This letter and its attachments (including valuation summary) should be read in conjunction with our full valuation report dated 4 April 2013 (the "Full Valuation Report"), as this letter does not contain all the information and assumptions which are included in the Full Valuation Report. The Full Valuation Report forms an integral part of our advice and provides descriptive commentaries on the Property and its local market, and details the key assumptions under which the valuations have been prepared.

2. The Property

Rendezvous Grand Hotel Singapore and Rendezvous Gallery Singapore, 9 Bras Basah Road, Singapore 189559.

The subject Property comprises two principal components as follows:

- The Rendezvous Grand Hotel Singapore (the "Hotel");
- The Rendezvous Gallery Singapore Retail Arcade (the "Gallery").

We understand that the underlying land title is a leasehold interest for a term of 99 years commencing on 30 March 1994, expiring in approximately 80.2 years on 29 March 2093. However, we are informed that H-REIT intends to acquire a 70-year lease in the Property, commencing on the date of acquisition of the Property. Accordingly, you have instructed us to value an assumed 70-year leasehold interest. Our valuation, therefore, is based on the specific Assumption that the Property is held by way of a 70-year lease commencing on the valuation date, 31 December 2012, (the "Valuation Date"). Our valuation assumes that the relevant leasehold interest in the Property is wholly owned and we have not been instructed to value the owning company or shares within the company.

3. Basis of Valuation

Our Valuations are prepared in accordance with the International Valuation Standards Council (IVSC) definition of Market Value and adopted by the Singapore Institute of Surveyors and Valuers (SISV) and the Royal Institution of Chartered Surveyors (RICS), which is:

"*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion*".

The Valuation Standards provide interpretive commentaries on the above definition.

Except where stated, our valuation has been prepared in accordance with the RICS Valuation - Professional Standards (incorporating the IVSC International Valuation Standards), the SISV Valuation Standards and Guidelines and our General Principles Adopted in the Preparation of Valuations and Reports (the "General Principles"), which are contained within Appendix II and should be read in conjunction with the following report. In this instance we are acting as external valuers. Your attention is also drawn to the General Assumptions and Limiting Statements set out in Appendix I.

We understand that, upon successful acquisition, the 70-year leasehold interest in the Property, which is the subject interest of this valuation, is to be owned by H-REIT (the "Lessor"), which will in turn lease part of the Property by way of the Master Lease to Serene Land Pte Ltd (the "Lessee") in whom the operation is understood will be vested.

In accordance with your instructions, we provide herein our opinion of the Market Value of the assumed 70-year leasehold interest in the Property subject to the proposed Master Lease to Serene Land Pte Ltd. We understand that the terms of the acquisition of the subject 70-year lease will be explicitly outlined in the Sale and Purchase Agreement.

4. Valuation Date

As instructed, the date of the valuation is 31 December 2012 (the "Valuation Date").

The Property was inspected on 23 January 2013. It is assumed that no material change in Property or market conditions occur between the Valuation Date and the date of inspection.

The value assessed herein may change significantly and unexpectedly over a relatively short period and we do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of six months from the Valuation Date, or in the event of a significant event that may have an effect on value or such earlier date as you become aware of any factors that may have an effect on value.

5. Qualifications and Assumptions

These valuations are prepared on the basis of the General Principles Adopted in the Preparation of Valuations and Reports, which comprises a list of the major assumptions and limiting conditions under which our opinions are given. These are contained within Appendix II (attached to this letter) and should be read in conjunction with this letter and the Valuation Summary. Other key assumptions are set out in the General Assumptions and Limiting Statements which are contained within Appendix I. It is a condition of the use of this valuation that the recipient of the report accepts these statements.

Key assumptions made in respect of the valuation are set out in the commentary provided in the Full Valuation Report.

We understand that the Property is to be held subject to the Master Lease, which is currently in unsigned draft form. Except where stated otherwise, it is expressly assumed that the draft Master Lease will be executed without any material variation from the form of the documents provided to us and, where relevant, will be registered on the title. Should any terms and conditions subsequently change materially from those provided, there may be an effect on value and, if this occurs, we reserve the right to amend our valuation accordingly without liability.

Our valuation does not investigate or consider the entity ownership of the Property upon the successful acquisition of the Property, nor does it have regard to any lease or side agreements or leases not registered on the title documents (other than the proposed Master Lease) and assumes that the ownership and operating structure, particularly in respect of any applicable provisions of the Master Lease or management agreement, would not obstruct the ordinary sale of the Property. This assumption has been made in the absence of an expert legal interpretation and opinion. As we are not legal experts, we recommend that appropriate expert advice be sought to confirm the validity of this assumption.

We would draw your attention to the fact that our valuation has been prepared on the basis of the following specific Assumptions:

- That the Property is held by way of a 70-year lease commencing on the Valuation Date. We have not seen a copy of the 70-year lease but have assumed that it will be for a term of 70 years commencing on the Valuation Date. We understand that a rent of S$12 per annum is to be payable, but we are informed that this will be waived by the lessor (of the 70-year lease) until further notice. The 70-year lease is understood to contain no unusual or onerous clauses that would affect value or marketability.

- That the leasehold interest in the Property is further subject to the Master Lease between DBS Trustee Limited (in its capacity as Trustee of Far East Hospitality Real Estate Investment Trust) and Serene Land Pte Ltd. As the proposed Master Lease remains in draft form, it is further assumed that the Master Lease has been executed in accordance with the draft provided. We have assumed that the commencement date of the Master Lease is the Valuation Date. We have made the Assumption that there will not be any material changes to the key terms upon successful acquisition of the Property.

- We understand that two of the Hotel's food and beverage outlets, The Courtyard at Rendezvous Grand and the Seribu Sari Indonesian Dining restaurant, are located within the Gallery but operated by the Hotel. The Client has informed us that, post-acquisition of the Property, the Hotel will cease to operate these outlets within the Gallery and instead, the units will be offered for lease to third parties. Accordingly, we have assumed that these units are available to let to the market as at the Valuation Date.

- We understand that the as-built gross floor area of the Property exceeds the maximum gross floor area allowed under the State Lease for the Property by a marginal amount. We are informed by the Client that this will be regularised. On the basis that this will be regularised, our valuation is based on the specific Assumption that this situation is regularised, that the regularisation has no impact on the income generating potential of the Property, and that the Property is compliant as at the Valuation Date.

No allowances has been made of any expenses of realisation, or for taxation (including GST) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges which may be secured thereon.

For the avoidance of doubt, these specific Assumptions are in addition to all other Assumptions, Special Assumptions and other qualifications set out in this letter and our Full Valuation Report. We would stress again the importance of reading this letter and considering our valuation in conjunction with our Full Valuation Report in order to be fully conversant with our understanding of the key Assumptions and expectations upon which our valuation has been prepared.

6. Information and Confidentiality

The Client has provided us with relevant information, including Hotel trading performance upon which we have relied. We have assumed that all such information is correct and complete in all material respects.

Our valuations and Valuation Summary, which is attached, are based upon material in our possession, some of which was supplied to us by the Client. Whilst due care has been undertaken in the application of that information, its accuracy and completeness cannot be fully verified by Jones Lang LaSalle, and we cannot offer any warranty that factual errors may not have occurred. We would like to be told of any such errors or incorrect assumptions that the Client becomes aware of so that they can be rectified.

Should it be revealed that any of this information is inaccurate or misleading so that its use would materially affect the valuation, Jones Lang LaSalle reserves the right to amend its opinion of value without liability. Jones Lang LaSalle takes no responsibility for any damage or loss by reason of inaccuracy or incorrectness of this report as a result of information provided to us.

This letter contains information of a confidential nature relating to the ownership, management, business and financial performance of the Property and has been supplied to Jones Lang LaSalle for the specific purpose of this valuation.

7. Scope of Work and Approach

To accomplish the objectives of this instruction we have:

- Physically inspected the Property;
- Received information from the Client and made enquiries during the course of our site inspection;
- Made appropriate enquiries about the local markets with relevant authorities; and
- Used Jones Lang LaSalle valuation computer modelling to prepare our analysis and conclusions.

Our valuation has been undertaken utilising the methods that are mainly considered by potential investors, namely:

- Discounted cash flow (DCF) approach; and
- Capitalisation approach.

The selected valuation criteria used in these approaches have been derived from recent market transactions and the resultant values checked against these transactions on a value per room basis.

Please note, our projections of occupancy and average daily rate did not involve the undertaking of a specific market demand study but rather are based on our knowledge and understanding of the local hotel market and our experience of the operating performance of hotels of similar size and standard.

The cash flow forecasts and value estimate have been prepared having regard to:

- Historical room supply, room demand and average daily rates;
- Emerging trends in the local hotel market; and
- The expected future supply of hotel accommodation in the local market as at the date of our assessment.

The assumptions in respect to future events are our best estimates at the date of preparing the valuations. To the extent that any of the assumptions made (and which are noted in our Full Valuation Report) are not realised, the indicative cash flow projections and estimates of value may be materially affected.

Our assessments are based upon current as well as expected future conditions as perceived by the market. We do stress that the estimation of future market conditions is a very problematic exercise which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties.

The process of making forward projections involves assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions. To rely upon our valuations, therefore, the reader must be satisfied as to the reasoning behind these future estimates.

8. Valuation Methodology

Hotels

This section briefly summarises Jones Lang LaSalle's approach to the valuation of hotels.

Leased hotel investments for which the rent is wholly or partially based on a proportion of hotel revenue or profit are generally purchased on the basis of future income potential. Past performance provides some guide to the future performance of a hotel, but often new macro-economic factors or local supply issues mean that a fresh view needs to be taken of the performance potential of the hotel.

Generally for hotel properties, we apply both the Capitalization and the Discounted Cash flow ('DCF') approaches. The DCF approach assesses investment value by providing an explicit measurement of future expected cash flows. We also utilise an income capitalisation approach as well as direct market comparison

Discounted Cashflow (DCF)

To arrive at an estimate of the Hotel's capital value, we have prepared a projection of the gross and net rental that may be reasonably expected to be generated by the Hotel, based on our understanding of the terms of the Master Lease.

In this instance, where a proportion of the receivable income is based on Hotel performance, we have prepared an income and expenditure forecast for the Hotel, which is used to calculate the gross rental payable by the Lessee. This forecast represents what we believe a potential purchaser would adopt as being realistic estimates of the Hotel's future income potential. This is not necessarily the same as what current Hotel management may project, but represents what a prospective purchaser might believe was reasonable as a basis for acquisition. From the gross rental, we have made allowances for a capital reserve to reflect the Lessor's responsibilities for capital improvements and repair of the Hotel as well as allowances for property tax and the Lessor's insurance to arrive at a forecast of net income, which we have then capitalised using a discounted cash flow model.

The forecast is prepared for a 10-year period. A discount rate is then applied to projections. The cash flow in the final year of the projection period year is capitalised at an assumed capitalisation rate, and deferred at the discount rate, and incorporated to arrive at the total investment figure. The choice of capitalisation rate is selected by reference to historic hotel transaction evidence, yield evidence of other forms of commercial property, the level of actual rent relative to the market rental level, market factors and the age, location and condition of the property. In order to arrive at our discount rate, we take account of long term inflation and the expected growth rate implicit in our cash flow projections.

In accordance with our normal practice, we have cross checked the valuation against other measures such as the resultant running yields and price per room. Having arrived at an estimate of total investment, which we consider reasonable, we then deduct, if appropriate, any capital expenditure, which an investor would require to spend in the foreseeable future over and above the capital reserve as per the Lessor's obligations detailed in the Master Lease.

International and domestic purchasers remain concerned with cash flows and with established or achieved trading figures, as well as readily foreseeable income flows. These factors have a strong impact on purchasing decisions and we therefore have regard to the initial and likely returns to an investor/purchaser in the early years.

We have included in our Full Valuation Report our cash flow projections and comments thereon.

Capitalisation

Capitalisation methodology converts the foreseeable income capacity of the Property into a current capital value by the application of a market/required yield. The income stream utilised in our assessment is the projected net rental income (including fixed and variable components) after deduction of any non-recoverable outgoings.

The yield is selected after taking into consideration:

- Demonstrated market yields;
- The physical appeal and quality of the building and its facilities;
- The location, zoning and potential of the underlying freehold or leasehold (as appropriate) land parcel;
- The earnings profile over the last four years (where available);
- Expectations of earnings growth; and
- The suitability of the current operator and terms of the management agreement.

Again, the capital value produced is then cross checked against other measures such as price per room.

Retail

Discounted Cashflow (DCF)

Under the Discounted Cash Flow Approach, the net operating income is discounted at an appropriate discount rate to arrive at the Market Value. The net income is derived by deducting from the gross income, the operating expenses incurred in the building maintenance and management of the retail property and outgoings including property tax, insurance, administration overhead and other related expenses such as letting up allowances and capital expenditure for repair and replacement.

The forecast of the net income is prepared for a 10-year period. A discount rate is then applied to the projections. The cash flow in the final year of the projection period year is capitalised at an assumed capitalisation rate, and deferred at the discount rate, and incorporated to arrive at the total investment figure.

Capitalisation

Under the direct capitalisation approach, the net rental income is arrived at after deducting vacancy and all outgoings from the gross rental income. The net income is assumed to be a level of annuity in accordance to the tenure of the lease and is capitalised using an appropriate capitalisation rate derived, where possible, from the analysis of relevant sales evidence.

Alternatively, and based on the same approach, this method can be varied so that the net market rent is capitalised in accordance to the tenure of the lease with appropriate adjustments for rental shortfalls and overages.

9. Pecuniary Interest

We confirm that we are not a related corporation of the Client and that the Valuers and Jones Lang LaSalle have no economic interest in the Client or the subject Property that would conflict with the proper valuation of the Property or could reasonably be regarded as being capable of affecting the Valuers' ability to give an unbiased opinion.

10. Use of Report

In accordance with our standard practice we must state that this valuation and report is for the use of DBS Trustee Limited (as Trustee of Far East Hospitality Real Estate Investment Trust), FEO Hospitality Asset Management Pte. Ltd. (as Manager of Far East Hospitality Real Estate Investment Trust) and FEO Hospitality Trust Management Pte. Ltd. (as Trustee-Manager of Far East Hospitality Business Trust) for inclusion within the Circular. No responsibility or liability is accepted to any third parties and neither the whole nor any part nor any reference thereto may be published in any document, statement or circular nor in communication with third parties without our prior written approval of the form and context in which it will appear.

Notwithstanding the above, where Jones Lang LaSalle consents to the disclosure of this valuation report for the purposes of inclusion in the Circular to stapled securityholders of Far East Hospitality Trust (and that this report may be made available for inspection at the offices of the Client), such disclosure is approved solely for the purpose of providing information to stapled securityholders or any other interested person. This report does not purport to contain all the information that a potential purchaser or any other interested party may require. It does not take into account the individual circumstances, financial situation, investment objectives or requirements of a potential investor or any other person. It is intended to be used as a guide only and does not constitute advice, including without limitation, investment, tax, legal or any other type of advice.

The valuations stated herein are, in the opinion of Jones Lang LaSalle, the best estimates and should not to be construed as a guarantee or prediction and the valuations are fully dependent upon the accuracy of the assumptions made. Investors and/or potential investors should not rely on any material contained in this report as a statement or representation of fact but should satisfy themselves as to its correctness by such independent investigation as they or their legal or financial advisors see fit after reviewing the valuation report to understand the particular assumptions and methodologies made in the preparation of the valuations and to appreciate the context in which the values are arrived at.

This report includes information provided by third parties. Figures, calculations and other information contained in this report that has been provided to Jones Lang LaSalle by third parties have not been independently verified by Jones Lang LaSalle and Jones Lang LaSalle takes no responsibility for it and subsequent conclusions related to such data.

Jones Lang LaSalle / Jones Lang LaSalle Property Consultants Pte Ltd, its directors, employees, affiliates and representatives shall not be liable (except to the extent that liability under statute or by operation of law cannot be excluded) to any person for any loss, liability, damage or expense arising from or connected in any way with any use of or reliance on this report.

For and on behalf of
Jones Lang LaSalle Property Consultants Pte. Ltd.
CEA Licence: L3007326E

Ed Fitch MA MRICS
Executive Vice President
Hotels & Hospitality Group

Tan Keng Chiam BSc (Est. Mgt.) MSISV
AD041-2004796D
Regional Director

VALUATION SUMMARY

Property	:	Rendezvous Grand Hotel Singapore and Rendezvous Gallery Singapore, 9 Bras Basah Road, Singapore 189559. The subject Property comprises two principal components as follows: ▪ The Rendezvous Grand Hotel Singapore (the "Hotel"); ▪ The Rendezvous Gallery Singapore (the "Gallery").
Tenure / Legal Description	:	The Land is defined as the whole of Lots 457k of Town Subdivision 11 as comprised in the Certificate of Volume 421 Folio 68. The registered tenants are Hotel Rendezvous Private Limited (87% share) and Rendezvous Properties Private Limited (13% share). The underlying land title is understood to be a leasehold interest for a term of 99 years commencing from 30 March 1994, expiring in approximately 80.2 years on 29 March 2093.
Assumed Interest Valued	:	We understand that, upon successful acquisition, a 70-year leasehold interest in the Property will be owned by H-REIT. Accordingly, we have been instructed to provide our opinion of value of the proposed 70 year leasehold interest, subject to the Master Lease (as defined below). The term is assumed to be for 70 years from the Valuation Date. We understand that a rent of S$12 per annum is to be payable, but we are informed that this will be waived by the lessor (of the 70-year lease) until further notice. The 70-year lease is understood to contain no unusual or onerous clauses that would affect value or marketability.
Location	:	The Property occupies a prominent location on Bras Basah Road situated in central Singapore. The Property is easily accessible by public transport as it is within close proximity to both Dhoby Ghaut and Bras Basah MRT stations and will be adjacent to the new Bencoolen MRT station along the Downtown Line which is expected to open by 2017. The Property is located close to the lower stretch of Orchard Road, Singapore's principal shopping district. The Property is approximately 1.6 km from the central business district at Raffles Place. The Property is also located approximately 18 km (a 20-minute drive depending on traffic conditions) from Changi International Airport.
Property Description	:	The Property has a prominent frontage on Bras Basah Road and Prinsep Street. The Property is constructed over two basement levels, a three level podium and two wings of eleven upper levels (including ground floor). The Hotel, which officially opened in 1998, comprises a city centre 4.5-star hotel including 298 guestrooms together with three restaurants, a bar, seven meeting rooms, gymnasium, outdoor swimming pool, Club Lounge and underground car park. The Gallery is a three level conservation building arranged around a central atrium. The Gallery comprises a retail arcade which includes the central courtyard occupied by The Courtyard at Rendezvous Grand and the Seribu Sari Indonesian Dining restaurant (both of which are currently operated by the Hotel).
Repair and Condition	:	The overall standard of maintenance appears to be good and the Property generally presents well.
Site Area	:	4,695.3 sq m
Zoning:	:	Zoned for hotel use with a gross plot ratio of 4.2 and situated within the Bras Basah Road Conservation Area.
Tenancy (Master Lease)	:	We understand that H-REIT will fully lease the majority of the Hotel component of the Property to Serene Land Pte Ltd by way of a master lease (the "Master Lease"), the key terms of which are summarised below:

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Lessor:	DBS Trustee Limited, acting in its capacity as Trustee of Far East Hospitality Real Estate
Lessee:	Serene Land Pte Ltd
Term:	Initial term of 20 years from commencement date (assumed to be the Valuation Date). Extension term of 20 years upon expiry of the initial term at the Lessee's option.
Rent:	Gross Rent: Fixed Rent plus Variable Rent - Fixed Rent: (S$ 6.5 million per annum), payable monthly; - Variable Rent is 33% of Hotel's Gross Revenue and 25% of Hotel's Gross Operating Profit (GOP) less Fixed Rent, subject to a minimum of zero. Therefore total rent payable is effectively 33% of Hotel's Gross Revenue and 25% of Hotel's Gross Operating Profit (GOP), subject to a minimum rent.
Repair:	*Lessee's Obligations* Lessee to keep premises in good and substantial repair and working order, and draw down from the FF&E reserve in relation to any replacement of the FF&E; *Lessor's Obligations* Lessor is responsible for Capital Improvements. "Capital Improvements" are defined as any improvement or replacement works to the Plant, Services Infrastructure or the essential fabric of the Hotel.

We understand that the Property will be further subject to an internal Hotel Management Agreement between the Lessee and the Hotel Manager, a subsidiary of Far East Orchard Limited.

The above lease summary is intended to identify and précis selected key terms only and should not be relied on in isolation. Where matters arise relating to the content of the Master Lease and its interpretation, independent legal advice is to be obtained by the reader. Furthermore it is essential that the entire Master Lease is referenced by the reader and its legal advisors. Jones Lang LaSalle does not provide legal advice and does not extend any liability in this regard.

Methodology	:	Discounted Cashflow, Capitalisation
Market Value Subject to the Comments and Assumptions contained within our Full Valuation Report	:	Rendezvous Grand Hotel Singapore S$220,000,000 (Two Hundred and Twenty Million Singapore Dollars) Rendezvous Gallery Singapore S$48,500,000 (Forty Eight Million Five Hundred Thousand Singapore Dollars)
Date of Valuation	:	31 December 2012
Notice	:	This valuation summary should be read in conjunction with the foregoing letter, the General Principles and Limiting Conditions to which it refers and also our Full Valuation Report dated 4 April 2013, which details the conditions and assumptions under which this valuation is prepared.

APPENDIX I

GENERAL ASSUMPTIONS AND LIMITING STATEMENTS

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GENERAL ASSUMPTIONS AND LIMITING STATEMENTS

We would also draw your attention to the following key assumptions and limitations made:

- Unless otherwise stated, our valuation is on the basis of Market Value, which is defined as "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

- We have assumed that the information provided to us is correct, particularly that the Hotel's historic operating figures accurately reflect its trading history.

- It is assumed that the Property is open for business and will continue to trade normally up until the date of sale. The valuation further assumes a prospective purchaser would engage the existing staff and take over the benefit of future bookings.

- We have assumed the management of the Hotel will operate the Hotel competently. It should be emphasised that achievement of trading performance remains largely reliant on the skill and expertise of the Hotel management. We have neither evaluated management's effectiveness nor are responsible for future marketing efforts and other management actions upon which actual trading results will depend. Some assumptions inevitably will not materialise and unanticipated events and circumstances may occur. Therefore, actual results achieved during the analysis period will vary from the assumptions and the difference may be material.

- We have not fully searched nor verified the authenticity of the land titles. Our valuation is prepared on the assumption that the Property and title is free and clear of encumbrances, restrictions, or other impediments of an onerous nature, which would affect value. Our valuation is made on the basis that the Property is free of mortgages, charges and other financial liens.

- We have not conducted a land survey to verify the land boundaries and site areas and whether all developments and improvements are within such boundaries. We have assumed, unless otherwise stated, that all developments and improvements are within the boundaries of such land parcel as described in this report and the land parcel is fully owned by the Property owner.

- We have not had sight of a zoning certificate, building, fire safety certificate or other statutory requirements, and it is assumed, unless otherwise stated, that all appropriate licences and approvals are held to operate the hotel and the various food and beverage facilities. It is assumed that the Property complies with the requirements of all local government regulations. It is also assumed that the Hotel has the benefit of all necessary planning consents and that they are subject to no unusual, onerous or restrictive conditions.

- We have not carried out a structural survey nor have we tested any of the service installations, and therefore are unable to state the Property is free from defect. Unless advised to the contrary, we have assumed that the premises contain no deleterious materials such as high alumina cement concrete, woodwool, permanent shuttering or asbestos.

- Our inspection is limited to areas where we have access to and viewing of typical guestroom and other facilities. We have assumed that information provided by the Client or obtained during the course of our site visit or from Hotel marketing materials such as Hotel website, fact sheet and sales kit, with respect of room inventory, types, sizes and configurations, Food and Beverage outlets, meeting, recreation and other facilities is materially correct and complete.

- Our valuation assumes that the Property is sold in the open market without the benefit of a leaseback, joint venture, or any similar agreement, which could serve to affect the value of the Property.

- We have assumed that the Property would be properly and effectively marketed to both domestic and international purchasers allowing a reasonable period of time (being between six and nine months) for exposure to the market and negotiation. We have also assumed that the Hotel's existing management would assist in the marketing process and provide all relevant information.

- No allowances are made for any expenses or taxation, which might arise in the event of a sale or disposal. The Property is assumed to be free and clear of all mortgages, encumbrances, outstanding premiums, charges and liabilities.

- We have assumed stability in business, tourism, economic and political situations in Singapore and that no significant changes of an adverse nature will occur. We also assume that the level of the Singapore Dollar against other world currencies will remain as attractive to overseas visitors as at the Valuation Date.

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APPENDIX II

GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

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General Principles Adopted in the Preparation of Valuations and Reports

It is our objective to discuss and agree the terms of our instructions and the purpose and basis of the valuation, at the outset, to ensure that we fully understand and meet our client's requirements.

This document sets out the general principles upon which our Valuations and Reports are normally prepared in our capacity as overseas consultants, and the conditions that apply to and form part of our Valuations and Reports. They apply unless we have specifically mentioned otherwise in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries. Any such variations to these general principles and/or conditions must be confirmed in writing.

These General Principles should be read in conjunction with Jones Lang LaSalle's General Terms and Conditions of Business.

1. Valuation Standards:

Valuations and Reports are prepared in accordance with the "International Valuation Standards" published by the International Valuation Standards Council ("IVSC") subject to variations to meet local established law, custom, practice and market conditions. Where the Valuation Standards are silent on subjects requiring guidance, we would refer to the "RICS Valuation - Professional Standards" published by the Royal Institution of Chartered Surveyors ("RICS"), subject to variation to meet local established law, custom, practice and market conditions with the RICS Valuation - Professional Standards prevailing over IVSC's International Valuation Standards to the extent of any inconsistency.

2. Valuation Basis:

Properties are generally valued to "Market Value" or alternatively another basis of valuation as defined in the Valuation Standards. Market Value is defined as "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

This assumes:

- a willing seller and a willing buyer;
- that, prior to the Valuation Date, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- that the value of the property is an estimated amount, rather than a predetermined or actual sale price on the Valuation Date;
- that the estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value;
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the Valuation Date; that both parties to the transaction had acted knowledgeably, prudently and without compulsion;
- that the transaction is presumed to be between unrelated parties each acting independently.

The full definition of any other basis, which we may have adopted, is either set out in our report or in the Valuation Standards.

There are interpretative commentaries on the definitions which are set out in the Valuation Standards and which we will be pleased to supply on request.

In our valuations no allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages, outstanding premiums, charges and liabilities, or similar financial encumbrances, which may be secured thereon.

Our valuations are made on the assumption that the owner sells the property on the open market without benefit of a deferred terms contract, leaseback, joint venture or similar arrangement which would serve to affect the value of the property.

Unless otherwise stated, our valuations are of each separate property. Portfolio valuations are aggregates of individual valuations rather than the portfolio having been valued as a whole. No allowance is made for the effect of the simultaneous marketing of all/or a proportion of the properties.

Each valuation is current as at the Valuation Date only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of six months from the Valuation Date.

3. Source of Information:

We accept as being reliable, complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, including trading information, as summarised in our report. Unless stated otherwise, the information on which our valuations are based is supplied to us by the Client and/or their advisors. We make no representations or warranties as to the reasonableness, reliability or accuracy of the information provided to us.

4. Title and Other Documentation:

We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. We also assume that all property taxes and any other statutory dues have been paid.

Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers.

5. Tenants:

Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested and agreed to in writing. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

6. Measurements:

We do not normally measure premises unless specifically requested and agreed in writing, and we base our valuation on the information made available to us. Where measurement is undertaken this is carried out in accordance with either the relevant local codes or the Code of Measuring Practices issued by the Royal Institution of Chartered Surveyors except in the case of agricultural properties or where we specifically state that we have relied on another source.

We have not conducted a land survey to verify the land boundaries and site areas and whether all developments and improvements are within such boundaries. We have assumed, unless otherwise stated, that all developments and improvements are within the boundaries of such land parcel as described in this report and the land parcel is fully owned by the property owner.

7. Planning and Other Statutory Regulations:

Where possible, information on Planning or Zoning, wherever possible, is obtained verbally from the relevant competent Local Planning Authority. In certain jurisdictions, however, it is often not possible to make such verbal enquiries.

We do not make formal legal enquiries and, if reassurance is required, we recommend that verification be obtained from your lawyers that:-

7.1. the position is correctly stated in our report;

7.2. the property is not adversely affected by any public schemes such as road and drainage improvements or any other decisions made, or conditions prescribed, by public authorities;

7.3. there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant local statutory regulations, including enactments relating to fire regulations, access and use by disabled persons and control and remedial measures for asbestos. Where required by local legislation, it is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority. We will not undertake independent verification of the compliance with statutory norms that regulate the development of the respective properties and the information on land use, development mix and size which have been provided by the Client. For development projects we will assume that all the relevant approvals have been obtained and all fees and charges payable, if any, have been fully settled.

8. Structural Surveys:

We have not carried out a building survey nor any testing of services and we therefore do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention, however, we are not able to give any assurance in respect of rot, termite or past infestation or any other defects.

We have not inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of parts that have not been inspected and this Report should not be taken as making any implied representation or statement about such parts.

9. Deleterious Materials:

We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high-alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

10. Site Conditions:

We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these matters.

11. Environmental Contamination:

We do not carry out site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

12. Insurance:

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms, including against risk of loss or damage from terrorism, fire, flood, rising water and deleterious materials such as composite panels.

13. Outstanding Debts:

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

14. Disposal Costs and Liabilities

No allowance for expenses of sale, which may be considerable, or liabilities to taxation (including GST or VAT), which might arise on a disposal. No allowance is made for transfer costs in disposing of the Property (whether payable by the vendor or purchaser) as such matters often depend on the manner in which the sale is conducted, nor for any interest, which might accrue prior to a disposal. All property is considered free and clear of all mortgages or other charges, which may be secured thereon unless otherwise advised.

15. Currency:

Valuations are prepared in the appropriate local currency. In some countries, particularly where inflation rates are unduly high, property values are often expressed in an international currency (eg. US Dollars).

16. Tax:

Valuations are prepared and expressed exclusive of any applicable local tax (including GST or VAT) unless otherwise stated. Income upon which our valuation is based, including any cash flow forecasts (as set out in the report) are exclusive of any such taxes.

17. Confidentiality and Third Party Liability:

Our Valuations and Reports are confidential to the party to whom they are addressed for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

18. Valuations Prepared On Limited Information:

In the event that we are instructed to provide a valuation without the opportunity to carry out an adequate inspection and/or without the extent of information normally available for a formal valuation, we are obliged to state that the valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should these prove to be incorrect or inadequate, the accuracy of the valuation may be affected.

19. Reinstatement Cost Estimates

Where we provide an opinion of Reinstatement Cost Estimates, our opinion is of the current reinstatement cost of the building as it exists at the Valuation Date.

The figure includes estimates of demolition cost, professional fees, furniture, fittings and equipment costs but excludes taxes. The figure is based on the estimated cost of work as at the date of assessment and no allowance is made for depreciation of the existing buildings. We make no allowance for the potential loss of income or rent during the reinstatement period in the reinstatement cost figure reported, nor do we allow for the cost of alternative accommodation. The reinstatement cost assessment does not include any consequential loss and liabilities to third parties.

Such estimates are based on information provided by the client and such construction cost data as may be available in the public domain (notably the Davis, Langdon and Seah cost index and similar publications) and our own experience of development in the relevant market. It should be noted that, in many markets, publicly available data is limited and reliable information as to actual building costs is scarce. Our estimates should, therefore, be regarded as a guide to check the current level of cover only and not as a basis for placing insurance. We would be pleased to arrange such an exercise, on your behalf, should you require it. We recommend that the client satisfy themselves as to the likely reinstatement cost for insurance purposes by obtaining a formal estimate prepared by a Quantity or Building Surveyor or other person with sufficient current experience of reinstatement costs in the relevant market.

20. Hotels:

Hotels and certain similar properties are usually sold as fully operational entities, including trade fixtures, fittings, furniture, furnishings and equipment. The new owner will normally engage the existing staff and sometimes the management and would expect to take over the benefit of future bookings, which are an important feature of the continuing operation.

Accordingly, our valuations assume that the hotel is open for business and trading up to the date of sale. Unless stated to the contrary, it is assumed that it has the benefit of all necessary licences, consents, registration certificates and permits, as appropriate (including fire certificates), and that they can be renewed. Consumable stocks are excluded from the valuation of the property.

Fixtures, fittings, furniture and stock are taken into account as apparent on inspection (or otherwise indicated to us) on the basis that the hotel is suitably equipped for the satisfactory continuation of the business and that all such furniture, fittings and equipment will be included in any sale.

Unless informed to the contrary, we assume that no particular value attaches to any item of furniture or work of art and also that all furniture, fittings and equipment is owned and not subject to any lease arrangement.

In arriving at our valuation we consider trading accounts for previous years, where they are available and, where appropriate, we have regard to management accounts, forecasts and projections of future trading activity as indicators of future potential. Such information is checked where appropriate but is normally accepted as accurate unless contrary indications are received. In the event of a future change in the trading potential or actual level of trade from that indicated by such information and assumptions, the value of the hotel could vary, and could fall as well as rise.

No allowance is made for any contingent tax liabilities or liability to staff (whether relating to redundancy payments, pensions or otherwise) unless expressly stated.

Unless otherwise instructed, we adopt the date of the inspection as the Valuation Date.

APPENDIX III

STANDARD TERMS AND CONDITIONS OF BUSINESS

Jones Lang LaSalle General Terms and Conditions of Business

1. General

1.1 These General Terms and Conditions of Business (the "Terms and Conditions") shall apply to all dealings between Jones Lang LaSalle ("we", "us" and/or "the Firm") and its client (the "Client") and, for the avoidance of doubt, shall be treated as applying separately to each Instruction given by the Client to Jones Lang LaSalle.

1.2 The appointment shall, unless otherwise specifically agreed, be exclusive and commence on the date the Client confirms our instruction by returning a signed copy of the letter of instruction.

1.3 These Terms and Conditions are deemed incorporated into the letter of instruction signed by the Client and Jones Lang LaSalle and shall govern the provision of services to the Client thereunder.

2. Performance of the Services

2.1 Jones Lang LaSalle is to provide all Services to the specification and performance level stated in writing or, if none is stated, to the specification and performance level that it ordinarily provides. Jones Lang LaSalle has no responsibility for anything that is beyond the scope of the Services so defined.

2.2 Jones Lang LaSalle shall exercise all reasonable skill and care in providing the Services under the Instruction and shall inform the Client if it becomes apparent that the Services need to be varied. The Client and Jones Lang LaSalle shall confirm in writing any variation of the Services to be provided under the Instruction.

3. Assignment and Sub-Contracting

3.1 The Client shall, with the prior written consent of Jones Lang LaSalle, have the right to assign the whole or any part of the benefit or to transfer in any way the obligation contained in the Instruction, such consent shall not to be unreasonably withheld (and it is hereby acknowledged that if the proposed assignee or novatee is, in the reasonable opinion of Jones Lang LaSalle, less creditworthy than the Client, it shall be reasonable to withhold such consent)..

3.2 Jones Lang LaSalle shall have the right to sub-contract the performance of all or part of the Services from time to time. Should this occur, Jones Lang LaSalle will nevertheless and unless otherwise specifically agreed, remain responsible to the Client for the due and proper performance of the Services.

4. Information provided by Client

4.1 The Client shall promptly provide to Jones Lang LaSalle all information as is necessary or reasonably requested by Jones Lang LaSalle in order to enable Jones Lang LaSalle to properly perform the Services.

4.2 The Client accepts that Jones Lang LaSalle is entitled to rely on the accuracy, sufficiency and consistency of any and all information supplied by the Client. Jones Lang LaSalle accepts no liability for any inaccuracies contained in information disclosed by the Client, whether prepared by the Client or by a third party and whether or not supplied directly to Jones Lang LaSalle by that third party.

4.3 Save as expressly agreed herein, except where required by law or by any proper authority or where the Client has waived such rights in writing, all confidential information provided by the Client shall be kept confidential by Jones Lang LaSalle.

4.4 Jones Lang LaSalle shall ensure that all persons whether employed by it or working under its direction in the course of performing the Services abide strictly by the obligation to keep all confidential information provided by the Client confidential.

4.5 All confidential information provided by the Client will be returned, destroyed or erased upon the Client's request. Save that Jones Lang LaSalle reserves the right to retain one copy of the confidential information for the purpose of compliance with professional, legal or regulatory requirements or obligations (subject always to its continuing duty to treat such information as confidential).

5. Information provided by Jones Lang LaSalle

5.1 Copyright in all material of whatever nature prepared by Jones Lang LaSalle and provided to the Client or otherwise generated in the course of carrying out the Services shall remain the property of Jones Lang LaSalle. No part of any report, document or publication may be reproduced or transmitted or disclosed in any form or by any means, or stored in any database or retrieval system of any nature, without the prior written permission of Jones Lang LaSalle.

5.2 All information and advice made available by Jones Lang LaSalle to the Client is for the sole use of the Client and for the sole purpose for which it was prepared in connection with the Services.

6. Duty of care to third parties

Jones Lang LaSalle owes a duty of care to only its Client. No third party has any rights unless there is specific written agreement to the contrary.

7. Third Party Liability

7.1 Jones Lang LaSalle has no liability for products or services that it reasonably needs to obtain from others in order to provide services. Jones Lang LaSalle may delegate to a third party the provision of any other part of services, but if it does so:

(a) without the Client's approval, Jones Lang LaSalle shall be responsible for the actions or omissions of that third party;

(b) with the Client's approval or at the Client's request, Jones Lang LaSalle shall not be responsible for the actions or omission of that third party. In this event, Jones Lang LaSalle does not warrant the performance, work or the products of others and the Client shall not hold Jones Lang LaSalle responsible for the inspection or supervision of the execution of such performance, work or products.

7.2 Unless otherwise specifically agreed in writing neither these Terms and Conditions of Business or the Services provided pursuant to the Instruction are intended, either expressly or by implication, to confer any benefit on any third party (excepting that is as provided specifically herein to the employees and subcontractors of Jones Lang LaSalle). The liability of Jones Lang LaSalle to any third party is expressly disclaimed.

8. Delay

We shall not be responsible for any delay to the performance of the Services, where matters beyond our control cause such delay.

9. Payment of Fees, Expenses and Disbursements

9.1 Payment of the fees for the Services shall be calculated, charged and made as set out in the letter of instruction or any variation thereto agreed by the Client and Jones Lang LaSalle.

9.2 The Client shall pay the expenses of and reimburse the disbursements incurred on its behalf by the Firm as specified, or on the basis set out in the Instruction or any variation thereto agreed by the Client and the Firm.

9.3 All references to fees, expenses and disbursements are exclusive of any applicable government taxes. Any such taxes chargeable on the Firm's fees expenses and disbursements shall be paid by the Client.

9.4 Where for any reason the Firm provides only part of the services as specified in the attached proposal, the Firm shall be entitled to fees proportionate to those services set out in the attached proposal that apportioned, based on our estimate of the percentage of completion.

9.5 In the event that invoices are not settled in full within 28 days of submission, the Firm reserves the right to withdraw responsibility for work performed.

9.6 If an invoice is not paid in full within 30 (thirty) days from the date of issuance, Jones Lang LaSalle shall be entitled to charge interest on the balance due at a daily rate of 0.05%.

10. Termination

10.1 In the event that either party is in material or persistent breach of any of the terms of the Instruction, the other party may terminate the instruction if, upon the expiry of 14 days after serving notice on the party in default, steps have not been taken to remedy the breach.

10.2 On termination of the Instruction, the Firm shall be entitled to, and shall be paid, fees for all Services provided to that time, in accordance with the above clause.

10.3 On termination, Jones Lang LaSalle shall return to the Client or, if the Client so instructs in writing, destroy all Client information that is to be kept confidential, but Jones Lang LaSalle may keep (and must continue to keep confidential) one copy of that information to comply with legal, regulatory or professional requirements.

11. Liability

11.1 Our liability to the Client for loss or damage shall be limited to such sum as Jones Lang LaSalle or Jones Lang LaSalle Property Consultants Pte Ltd ("us", "we" and/or "the Firm") ought reasonably to pay having regard to its direct responsibility for the same and on the basis that all other third parties shall, where retained by the Client, be deemed to have provided to the Client contractual undertakings in terms no less onerous than this clause in respect of the performance of their services in connection with the instruction, and shall be deemed to have paid to the Client such proportion as may be just and equitable having regard to the extent of their responsibility for such loss or damage.

11.2 Unless otherwise agreed, our liability to the Client for loss or damage claimed in respect of any Instruction shall, notwithstanding the provisions of the paragraph above, in any event be limited to an aggregate sum not exceeding S$45,000. This cap on liability will not apply to loss caused by the Firm in the case of its fraud or wilful default. In no event shall the Firm be liable to the Client or to any third party with respect to the Instruction for any (a) incidental, special, punitive, consequential or indirect damages or (b) damages resulting from loss of sale, business, profits, opportunity or goodwill.

11.3 Unless, and to the extent finally and judicially determined to have been caused by fraud, wilful default or negligence of the Firm, the Client agrees to indemnify on demand and hold harmless the Firm against all actions, claims, proceedings, losses, damages, costs and expenses whatsoever and howsoever arising from or in any way connected with the Instruction or the provision of Services thereunder.

11.4 Unless and until any such agreement is reached and recorded in writing, Jones Lang LaSalle will accept no responsibility or owe no duties to the Client which relate to matters beyond the scope of the Services.

11.5 The Client acknowledges that any action, claim or proceedings arising out of the Services provided under the Instruction shall be brought against the Firm with whom the Client has contracted and not against any employee, director or subcontractor of Jones Lang LaSalle involved directly or indirectly in the delivery of the Services.

11.6 The Client agrees that (except for fraud or a criminal offence) no employee, consultant or agent of any member of the Jones Lang LaSalle group of companies has any personal liability to the Client, and that neither the Client nor anyone representing the Client will make a claim or bring proceedings against an employee, consultant or agent personally.

12. Indemnity from the Client

12.1 The Client agrees that it shall indemnify and keep indemnified the Firm from and against all claims, actions, proceedings, demands, liabilities, losses, damages, costs (including reasonable legal costs) and expenses ("Losses") which the Firm may suffer or incur in any jurisdiction arising out of or in connection with:

(i) a breach by the Client of the Agreement or the Terms and Conditions; or

(ii) any negligence, act, default or omission by the Client, or the Client's consultants, employees or agents; or

(iii) any inaccuracies or omissions in information supplied by Clients and/or its agents to the Firm and/or its agents; or

(iv) any claim by a third party that any information or material infringes the intellectual property rights of a third party where such information or material was provided by the Client and/or its agents to the Firm and/or its agents; or

(v) the Instruction or the provision of Services thereunder

provided that the Client shall be relieved from its indemnity obligations to the extent that any Losses are directly caused by or attributable to Jones Lang LaSalle's fraud, negligence or wilful default under the letter of instruction or these Terms and Conditions. Without prejudice to any claim that Jones Lang LaSalle may have against the Client, no proceeding may be taken against any director, officer, employee or agent of the Client in respect of any claim except for fraud or a criminal offence.

13. Duty of care to the Client

13.1 Jones Lang LaSalle owes to the Client a duty to act with reasonable skill and care in providing services, complying with the Client's instructions where those instructions do not conflict with:

(i) these Terms and Conditions,

(ii) the Agreement, or

(iii) applicable law and professional rules and internal policies of Jones Lang LaSalle including but not limited to the Code of Business Ethics.

13.2 Jones Lang LaSalle has no liability for the consequences of any failure by the Client or any agent of the Client to promptly provide information or other material that Jones Lang LaSalle reasonably requires, or where that information or material is inaccurate or incomplete.

14. Dispute Resolution Procedure

14.1 In the event of any complaint, dispute or difference arising out of or in connection with these Terms and Conditions or the related letter of instruction, senior representatives of the Client and the Firm shall, within fourteen (14) days of a notice from either party to the other, meet in good faith in an effort to resolve the issue amicably.

14.2 If the parties are unable to resolve the issue within twenty eight (28) days of a meeting involving the parties' senior representatives, then, either party may submit such dispute to arbitration. Any such arbitration shall take place at the Singapore International Arbitration Centre ("SIAC") in accordance with the then prevailing rules of SIAC. The arbitration tribunal shall consist of one arbitrator selected by SIAC. The arbitration shall be conducted in English. The arbitral award will be final and binding upon both parties. Each party will bear its own attorney's fees and costs related to the arbitration. Judgment upon the award may be entered in any court of competent jurisdiction for execution.

15. On line Services

Jones Lang LaSalle may in order to facilitate delivery of the Services and/or general communication with the Client, offer and/or provide from time to time electronic systems and/or software to the Client which shall be provided on the then prevailing terms and conditions by which Jones Lang LaSalle provides such electronic systems and/or software.

16. Severance

Any provision of the Instruction, including any provision contained in the General Conditions, which is declared void or unenforceable by any competent authority or court shall, to the extent of such invalidity or unenforceability, be deemed severable and shall not affect the other provisions of the Instruction and General Conditions, which will continue unaffected.

Definitions

"Affiliate": means each subsidiary, associate and holding company and each subsidiary and associate of any such holding company and their respective directors, officers, employees and agents.

"Client": means the person, firm or company named in the Instruction as requiring the Services.

"General Conditions": means these General Terms and Conditions of Business subject only to such amendments as may be agreed with Jones Lang LaSalle.

"Instruction": shall mean the letter of instruction between Jones Lang LaSalle and the Client as signed by both parties or as otherwise evidenced in writing and which sets out the requirements of the Client and which shall incorporate details of the Services and the Fees, Expenses and Disbursements, together with these General Conditions and conditions and/or documents expressly referred to in the Instruction, all of which shall be read as one as if set out in full in it.

"Schedule": shall mean, where appropriate, any description of Services, Fees, Expenses and Disbursements, whether letter, list or other document.

"Special Conditions": shall mean any conditions specifically applicable to the instruction and which, in case of conflict with the General Conditions, shall prevail.

"Services": shall mean the services to be provided by Jones Lang LaSalle as specified in the instruction or variations or amendments thereto agreed by Jones Lang LaSalle in writing.

"Agreed by Jones Lang LaSalle" and "consent of Jones Lang LaSalle" shall mean the agreement in writing by an authorised person in Jones Lang LaSalle (or of any successor or assign).

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of the holders of stapled securities in Far East Hospitality Trust ("**Far East H-Trust**", and the holders of stapled securities in Far East H-Trust, "**Stapled Securityholders**") will be held on Friday, 31 May 2013 at 2.30 p.m. at Antica 1, Level 2, 1 Tanglin Road, Orchard Parade Hotel, Singapore 247905, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

(1) THE PROPOSED MASTER LEASE OF RENDEZVOUS GRAND HOTEL SINGAPORE AS AN INTERESTED PERSON TRANSACTION

That subject to and contingent upon the passing of Resolutions 2 and 3:

(i) approval be and is hereby given for the entry into of the master lease agreement (the "**Master Lease Agreement**") (as described in the circular dated 15 May 2013 (the "**Circular**")) between DBS Trustee Limited (in its capacity as the trustee of Far East H-REIT) (the "**REIT Trustee**"), FEO Hospitality Asset Management Pte. Ltd. (in its capacity as the manager of Far East H-REIT) (the "**REIT Manager**") and Serene Land Pte Ltd pursuant to which Serene Land Pte Ltd will take a lease of Rendezvous Grand Hotel Singapore; and

(ii) the REIT Manager, any director of the REIT Manager and the REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director or, as the case may be, the REIT Trustee may consider expedient or necessary or in the interests of Far East H-REIT to give effect to the Master Lease Agreement and all transactions in connection therewith).

ORDINARY RESOLUTION 2

(2) THE PROPOSED ISSUE OF NEW STAPLED SECURITIES TO THE STRAITS TRADING COMPANY LIMITED AS PARTIAL CONSIDERATION FOR THE PROPOSED ACQUISITION

That subject to and contingent upon the passing of Resolutions 1 and 3:

(i) approval be and is hereby given for the issue of such number of new Stapled Securities to The Straits Trading Company Limited ("**STC**") (or such other person(s) nominated by STC) as partial consideration for the proposed acquisition in the manner described in the Circular (the "**Consideration Stapled Securities**"); and

(ii) the REIT Manager and FEO Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Far East H-BT) (the "**Trustee-Manager**", and together with the REIT Manager, the "**Managers**"), any director of the Managers ("**Director**") and the REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Managers, such Director or, as the case may be, the REIT Trustee may consider expedient or necessary or in the interests of Far East H-Trust to give effect to the issue of the Consideration Stapled Securities to STC.

ORDINARY RESOLUTION 3

(3) THE PROPOSED ISSUE AND PLACEMENT OF NEW STAPLED SECURITIES TO THE FAR EAST ORGANIZATION GROUP OF COMPANIES AS AN INTERESTED PERSON TRANSACTION

That subject to and contingent upon the passing of Resolutions 1 and 2:

(i) approval be and is hereby given for the issue and placement of such number of new Stapled Securities to the Far East Organization group of companies (the "**FEO Group**") in the manner described in the Circular (the "**Placement Stapled Securities**"); and

(ii) the Managers, any Director and the REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Managers, such Director or, as the case may be, the REIT Trustee may consider expedient or necessary or in the interests of Far East H-Trust to give effect to the issue and placement of the Placement Stapled Securities to the FEO Group.

BY ORDER OF THE BOARD
Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Asset Management Pte. Ltd.
(as manager of Far East Hospitality Real Estate Investment Trust)
(Company Registration No. 201102629K)

15 May 2013

BY ORDER OF THE BOARD
Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Trust Management Pte. Ltd.
(as trustee-manager of Far East Hospitality Business Trust)
(Company Registration No. 201210698W)

15 May 2013

Important Notice:

(1) A holder of the Stapled Securities in Far East H-Trust ("**Stapled Securityholder**") entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Stapled Securityholder.

(2) Where a Stapled Securityholder appoints more than one proxy, he/she must specify the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy. Where a Stapled Securityholder appoints two proxies and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.

(3) The instrument appointing a proxy or proxies (as the case may be) must be lodged at the Stapled Security Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

FAR EAST HOSPITALITY TRUST

A stapled group comprising:

FAR EAST HOSPITALITY REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

FAR EAST HOSPITALITY BUSINESS TRUST
(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

PROXY FORM
EXTRAORDINARY GENERAL MEETING OF FAR EAST HOSPITALITY TRUST

I/We ____________________ (Name(s) with NRIC No./Passport No./Company Registration No. ____________ of ______________________________ ______________________________ (Address) being a holder/s of units in Far East Hospitality Real Estate Investment Trust and Far East Hospitality Business Trust (collectively, "**Stapled Securities**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Stapled Security holding	
			Number of Stapled Securities	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Stapled Security holding	
			Number of Stapled Securities	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting ("**EGM**") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the EGM to be held on Friday, 31 May 2013 at 2.30 p.m. at Antica 1, Level 2, 1 Tanglin Road, Orchard Parade Hotel, Singapore 247905 and any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	Number of Votes For**	Number of Votes Against**
1.	To approve the proposed master lease of Rendezvous Grand Hotel Singapore as an interested person transaction (Ordinary Resolution)				
2.	To approve the proposed issue of new Stapled Securities to The Straits Trading Company Limited as partial consideration for the proposed acquisition (Ordinary Resolution)				
3.	To approve the proposed issue and placement of new Stapled Securities to the Far East Organization group of companies as an interested person transaction (Ordinary Resolution)				

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________________ 2013

Total number of Stapled Securities held

____
Signature(s) of Stapled Securityholder(s)/Common Seal

Notes to Proxy Form

1. A Stapled Securityholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead.
2. Where a Stapled Securityholder appoints more than one proxy, he/she must specify the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy. Where a Stapled Securityholder appoints two proxies and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.
3. A proxy need not be a Stapled Securityholder.
4. A Stapled Securityholder should insert the total number of Stapled Securities held. If the Stapled Securityholder has Stapled Securities entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of Stapled Securities.
5. If the Stapled Securityholder is shown to not have any Stapled Securities entered against his name as at 48 hours before the time set for the Extraordinary General Meeting, the instrument appointing a proxy or proxies (the "**Proxy Form**") will be rejected.
6. The Proxy Form must be deposited at the Stapled Security Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for the Extraordinary General Meeting.
7. The Proxy Form must be signed by the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

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Postage will be paid by addressee. For posting in Singapore only.

FAR EAST HOSPITALITY TRUST

BUSINESS REPLY SERVICE
PERMIT NO. 08948

FEO Hospitality Asset Management Pte. Ltd.
(as manager of Far East Hospitality Real Estate Investment Trust)

FEO Hospitality Trust Management Pte. Ltd.
(as trustee-manager of Far East Hospitality Business Trust)

c/o

Stapled Security Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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8. Where a Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer , the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must (failing previous registration with the Managers) be lodged with the Proxy Form; failing which the instrument may be treated as invalid.
9. The Managers shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Stapled Securities entered in the Depository Register, the Managers may reject a Proxy Form if the Stapled Securityholder, being the appointor, is not shown to have Stapled Securities entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Managers.
10. All Stapled Securityholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
11. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by (i) the Chairman, (ii) by five or more Stapled Securityholders present in person or by proxy and having the right to vote at the meeting, or (iii) by Stapled Securityholders present in person or by proxy representing not less than 10.0% of the total voting rights of all the Stapled Securityholders having the right to vote at the meeting. Unless a poll is so demanded a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
12. On a show of hands, every Stapled Securityholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Stapled Securityholder who is present in person or by proxy shall have one vote for every Stapled Security of which he is the Stapled Securityholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

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1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905
T +65 68336688 | **F** +65 68336622 | www.feht.com.sg

FAR EAST HOSPITALITY TRUST

Comprising:

FAR EAST HOSPITALITY REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

FAR EAST HOSPITALITY BUSINESS TRUST
(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

Registered Office

14 Scotts Road

#06-01 Far East Plaza

Singapore 228213

15 May 2013

CORRIGENDUM TO THE CIRCULAR TO STAPLED SECURITYHOLDERS DATED 15 MAY 2013

FEO Hospitality Asset Management Pte. Ltd., in its capacity as manager of Far East Hospitality Real Estate Investment Trust ("**Far East H-REIT**", and the manager of Far East H-REIT, the "**REIT Manager**") and FEO Hospitality Trust Management Pte. Ltd., in its capacity as trustee-manager of Far East Hospitality Business Trust ("**Far East H-BT**", and the trustee-manager of Far East H-BT, the "**Trustee-Manager**") refer to the circular to Stapled Securityholders dated 15 May 2013in relation to the Extraordinary General Meeting to be convened on 31 May 2013 (the "**Circular**"). Terms defined in the Circular shall have the same meanings when used in this corrigendum.

Subsequent to the printing of the Circular, the REIT Manager and the Trustee-Manager were informed that there were typographical errors on page B-3 (Profit Forecast) of the Circular. The amended paragraph under "Gross Operating Revenue and Gross Operating Profit of Rendezvous Grand Hotel Singapore" is set out below:

"Gross Operating Revenue and Gross Operating Profit of Rendezvous Grand Hotel Singapore

The forecast Gross Operating Revenue and Gross Operating Profit of Rendezvous Grand Hotel Singapore are set out in the table below.

Forecast Period ($'000)	**Rendezvous Grand Hotel Singapore**
Room revenue	7,524
F&B revenue	1,120

Forecast Period ($'000)	Rendezvous Grand Hotel Singapore
Service charge	~~75~~864
Other income	~~1,021~~232
Gross Operating Revenue	**9,740**
Operating expenses	(4,778)
Gross Operating Profit	**4,962**

"

Apart from the above amendments, all other information contained in the Circular remain unchanged.

Yours faithfully

FEO Hospitality Asset Management Pte. Ltd.

(as manager of Far East Hospitality Real Estate Investment Trust)

FEO Hospitality Trust Management Pte. Ltd.

(as trustee-manager of Far East Hospitality Business Trust)

Gerald Lee Hwee Keong

Chief Executive Officer

15 May 2013